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PROGRAMMING, TECHNOLOGY AND THE ART OF THE POSSIBLE



NOTES FOR AN ADDRESS

BY THE HONOURABLE JEANNE SAUVE

MINISTER OF COMMUNICATIONS

TO THE CANADIAN TELEVISION PRODUCERS AND DIRECTORS ASSOCIATION

OTTAWA, ONTARIO

FRIDAY, FEBRUARY 23, 1979



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Slightly more than half a century ago, Canadians celebrated their nation's Diamond Jubilee, its sixtieth birthday, by tuning their radios into the first live, coast-to-coast broadcast. Coming from Parliament Hill, this first national radio broadcast was a superlative technical achievement. The facilities needed for that CNR-sponsored hook-up included 23,000 miles of wire, the services of 85 technicians and the staffs of 23 broadcasting stations.

More importantly, this historic event created an intense and collective awareness on the part of Canadians of their belonging to a nation with great expectations and pride in its accomplishments.

Mackenzie King put it this way: "All Canada became, for the time being, a single assemblage, swayed by a common emotion, within the sound of a single voice." This achievement convinced King of the need for a strong Canadian broadcasting system.

I believe our sense of national pride has grown when Canadians have shared a common experience using their communications systems. The Diamond Jubilee broadcasts were an early example.

But there have been others since, which have also aroused intense national pride. The advent of television has magnified the expression of these feelings. Think, for example, of Paul Henderson's famous goal back in 1972 in the last game against the Soviet hockey team. Advanced satellite communications brought live coverage of the event to all Canadians. When he scored, you could hear the cheer right across the country.

Perhaps the most recent example would be the three-hour special called People Talking Back, which was broadcast two Sundays ago on February 4, by the CBC.

I refer to the opening program in a six-part series being produced in co-operation with the Canadian Association for Adult Education. It was a highly interesting and innovative experiment for two reasons. First, it used live satellite feeds from 10 CBC regional production centres to Edmonton, where it was produced, and then relayed to viewers in almost all parts of Canada via satellite, microwave, off-air and finally in most cases via coaxial cable into the home. Second, it was an imaginative attempt by the CBC at participatory television, with viewers across the country phoning in to express their opinions about what's bugging them -- whether it's the media, politicians, bureaucrats, the economy, jobs, Canada's future or whatever.

Such occasions as these mark the high points in Canadian pride. But they are also dramatic tributes to Canadian initiatives in applying communications technology. Linking the country together by communications is something we've been doing since the first transcontinental telegraph, the development of which paralleled that of the railway itself.

I've brought out these examples, not to refresh your memories, but to use them to illustrate the art of the possible. What's common in all of them is the use of sophisticated communications technology to deliver programs that mattered to Canadians.

The tremendous advances made in program delivery -- from the paired copper wire of 1927 to the satellites of today -- have been matched by advances in the equipment used to produce the programming. New small format television cameras, video tape recorders, time-base correctors and electronic news gathering equipment have cut costs and increased the flexibility and ease with which quality programming can be produced. Lightweight, portable and comparatively cheap equipment is bringing us into a new era in the production of broadcast

quality programming. The broadcast quality of these new and cheaper technologies, including electronic field production equipment, has been accepted already and much more widely in the United States, but its use will no doubt grow here too. I gather the networks here have tended to look from the top of the line down rather than from the bottom of the line up, which is where much of the small format equipment is. This new low cost technology should make it easier for independent producers, native groups and so on to produce broadcast quality programs in Toronto, Montreal and the regions.

Of course, it's not hardware that produces programs, it's creativity. That's the essential element. And let's not forget that programming is what it's all about.

I strongly disagree with those who say if we want high quality programming, we should pool our limited resources into Toronto and Montreal to effect economies of scale -- and besides, they say, that's where all the talent is. Well, it's not true.

There is a need for local and regional programming in addition to local newscasts and talk or game shows and there have been successes from production centres other than Montreal and Toronto to show that it can be done. In fact, the People Talking Back show which was produced in Edmonton is one kind of innovative success possible. So is The Beachcombers. It would be impossible for that show to be produced anywhere else but the West Coast. And it proves Canada has talent in cities other than Montreal and Toronto, which can produce TV programs, which can enjoy international sales and yet which can be distinctively Canadian. And not in just sort of a bland, generalized Canadian context, but in a distinctive one, with strong regional roots.

I've said new communications technology can make program production cheaper and easier, especially in the regions, and it can make delivery of programming, faster and more flexible. But it can also have unexpected and unwanted side effects if not directed wisely.

Coaxial cable's history in Canada has been like that. While cable improves signal quality and has a substantial signal carrying capacity, it has nevertheless been a factor in the overall reduction in the percentage of domestically produced programming available to Canadians. And this, at a time when there has never been a greater amount of Canadian programs produced. But the problem is we're just drowning in U.S. programming. Yet our Broadcasting Act talks about a predominantly Canadian broadcasting service. And here we are, the biggest importer of foreign programming in the world and paying the most for it too.

We can't stop technology, but we can direct it to our benefit. Content quotas were introduced long ago as a means of coming to grips with broadcasting technology.

The quotas were created in 1961 by the CRTC's predecessor, the Board of Broadcast Governors, but the rapid advance of coaxial cable and satellites has undermined the quotas. Hence, the quotas, at least for TV, are not having their intended effect, which was to ensure an adequate amount of Canadian programming on each channel which in turn would create a critical mass of creative talent. But what's often happened is that broadcasters have filled their quotas with cheap, easy-to-produce pap.

There has not been much incentive to invest in the creative talent needed to produce programming that could attract large viewing audiences. As a result, much of our talent has gone south, which is also where our broadcasters go to buy programs that use that talent.

The impending introduction of new technologies will only aggravate these problems unless we look at new options to stimulate program production.

What are the possibilities here? Well, the majority of Canadians receive their TV programming as a package of domestic and foreign signals via cable. Minimal changes in the content quotas for individual program channels could have a multiplier effect on the overall percentage of domestic programming available in the entire package. A factor here is that most of the programming on all channels in the prime time hours of 8 to 10 p.m. is American.

This situation could be altered to the benefit of Canadian producers without restricting Canadian viewers freedom of choice if we looked at new approaches to scheduling. For example, broadcasters could schedule more Canadian programs during the hours that Canadians watch television most. We could also have specialized channels devoted to sports, children's programs or whatever.

We could also look at incentives for broadcasters to increase program quality and availability.

I'm sure the Clyne Committee will be looking at these and other possibilities in their recommendations to me on how the telecommunications and broadcasting industries should be structured to protect Canadian sovereignty. Let's make no mistake about the seriousness of that threat to our sovereignty.

Despite its trials and tribulations, the CBC cannot afford to be a static organization in these times of rapid change. Our publicly owned national broadcasting service needs to be vital and creative. The CBC knows this and has indicated that it does wish to increase the amount of quality Canadian

programming and to diversify its services. As an example, it outlined a plan to use satellites to provide the cable systems across the country with the proceedings of the House of Commons. Another such example is the CBC-2, which I would hope will, among other things, carry more in regional programming to a national audience.

Admittedly, the CBC has had difficulty through the years in accomplishing its programming objectives because of insufficient resources. That would suggest that the CBC might seek new sources of revenue, quite apart from its parliamentary appropriations and the sale of advertising. Here too there are possibilities. One source might be cable. Also if the CBC diversified its services to perhaps include information services, new revenue sources might emerge. What is really needed I suppose is a statutory provision for a long-term operating budget, as all inquiries into the national broadcasting service since 1929 have said. I would be interested in your thoughts and those of your fellow association members about these ideas and any you have that could help stimulate the production and availability of Canadian programming that Canadians will want to watch and listen to.

Thank you.

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CHECK AGAINST DELIVERY

THE TELECOMMUNICATIONS REVOLUTION:

CANADA MUST PLAY TO WIN

NOTES FOR A SPEECH

BY

THE HONOURABLE JEANNE SAUVÉ

MINISTER OF COMMUNICATIONS

TO THE RICHELIEU CLUB

CHATEAU LAURIER, OTTAWA

WEDNESDAY, MARCH 21, 1979



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I would like to thank the executive of the Richelieu Club for inviting me to speak today. I know that you are particularly sensitive to the issues I want to discuss. Let me get to the heart of the matter at once.

Will the Canadian economy be able to rise to the tremendous challenge of the current telecommunications revolution? Will Canada come out on top or will she lose the battle currently being fought by the industrialized countries for pre-eminence the field of telecommunications? For Canadians, it is, among other things, a battle against time.

Speaking of time, I wonder how many of you wear a digital wristwatch. No doubt many of you do. Some of you probably think of these watches as just the latest gadgets produced for our consumer society. And maybe they are. But they have dealt a heavy blow to the Swiss watch-making industry.

The digital watch isn't all. Living proof of the current electronics revolution is all around us: point-of-sale terminals in department stores, automated check-outs in supermarkets and gas stations, automated cash dispensers in banks, low-cost pocket calculators, computer billing, the use of robots in production lines, and fully automated warehouses connected with automated check-outs in supermarkets and other retail outlets.

Electronics is also transforming the business world. Everyone in this room is probably aware of a whole range of new developments in office automation introduced by companies like IBM and Xerox.

Social applications are also numerous. Miracles have been made possible by silicon chips: a blind person can have a book read aloud by machine; quadraplegics can steer their wheelchairs by voice control; and medical diagnoses can be made by computer.

There are also a multitude of new home services available through Telidon, the two-way television system developed by my Department's research laboratories. Telidon allows people to retrieve information stored in participating data banks and will eventually permit direct person-to-person

communication through modified television sets. According to government and industry experts, Telidon is far superior to existing interactive television systems. This Canadian technological breakthrough holds a wealth of promise for our electronics industry and could mean thousands of new jobs. The potential economic impact on the job market and on the area of capital expenditures is considerable.

The question is, will we maintain leadership in telecommunications in our own country or will we allow outsiders to take over?

Applications of the new technology, based increasingly on microprocessors, are linked together, as required, by traditional systems such as terrestrial communications networks, and often these days through satellites, optical fibres and lasers. As low-cost earth stations come into general use, the new technology will spread even faster. These advances are the product of the rapid development of computer and communications technologies and their meshing together. All of us will feel the impact of the new world information and communications order now dawning.

Computers and other electronic devices are changing the nature of the production process. Such equipment already uses a great many "information" components, both in its complex design and in its use of software programs. The information content of Canada's output of goods and services today is between 40 and 50 per cent, while about half today's manpower can be classified as "information" workers. Tomorrow, the microprocessor and the electronic chip will give further impetus to the replacement of non-information activities by information activities.

Our country cannot merely react passively to the new technologies shaping our future. This is why the Department of Communications is engaged in promotion of new techniques such as fibre optics. To this end, my Department is co-operating with telephone and cable television companies, and the private

sector, in a number of important field trials to test these developments. And it is encouraging co-operation among high technology firms for the supply of advanced equipment.

Two-way television is another example of our efforts. My Department has awarded contracts to a small firm in the Ottawa area, Norpak Ltd., for development and manufacture of prototypes for the Telidon system. Their success demonstrates that the best does not always come from the strongest, largest or richest but rather from the most imaginative, most dynamic and most persistent companies. Time does not allow me to go into all of the research work being done in Canada by Canadians to keep our country abreast of the latest technology in the field of telecommunications.

But our leadership cannot be ensured by unco-ordinated measures. An integrated set of policies must be developed immediately to maintain Canada's economic strength, to preserve viable balances of payment, to preserve national sovereignty, and to avoid potential negative impact from the technological upheaval currently being experienced by our society.

Canada possesses important areas of strength on which to base a rational plan of action. Let me mention just a few of our strong points.

The telecommunications services industry, largely controlled by Canadian interests, will open up job opportunities for our skilled manpower and for our equipment manufacturers. We have a relatively stable telecommunication equipment industry which has been effective on the world scene. We have demonstrated our willingness to innovate and invest venture capital in the cable television, telephone, and other telecommunications sectors. And our banking industry, which is at the forefront of the application of new information techniques, already has a network of branches in place. Our rapidly evolving data processing industry is setting an example of initiative by its readiness to take risks in exploiting new technology.

In an information-based society, economic efficiency in the underlying telecommunications system is essential if the manufacturing process is to prove competitive. An efficient communications infrastructure is also essential if the market for goods and services is to be tapped and if Canadian suppliers are to take advantage of opportunities as they arise.

The information revolution is well under way. New technologies are evolving and we will all feel their impact. Canada has established a strong presence in the field of communications, and the government is determined not only to preserve Canada's position, but to enhance and develop it so that our country will have every opportunity on the world scale in the field of communications.

The Canadian government fully accepts its obligations in this regard. We are currently drafting a set of integrated policies to provide a dynamic framework for the development and application of the new communications and information technologies. We must harness these for the benefit of all Canadians and respond to their fundamental economic, social and cultural implications.

We will, therefore, make sure that all the odds are on our side and that Canada comes out on top. Next time you glance at your digital watch, remember that the information revolution is already here.

Thank you.

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NOTES FOR REMARKS

BY MINISTER OF COMMUNICATIONS

THE HONOURABLE JEANNE SAUVÉ

AT THE SIXTH ANNUAL CAN PRO AWARDS FESTIVAL

HAMILTON, ONTARIO

MARCH 6, 1979



SP # 79-D



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I'm delighted to be here tonight, at the sixth annual Can Pro Awards. Many of the most distinguished men and women in the Canadian TV industry are here tonight. And there's something that all of us have in common, whether we're broadcasters, politicians or just viewers. And that is an interest in a strong and lively Canadian program production industry.

The Can Pro Awards festival has become an important annual event for a reason. As a showcase, it gives us the opportunity to see what is being done and what can be done in the production of programs that Canadians will watch. It gives us the chance to pay tribute to some of the best in Canadian TV.

Programs like these don't just happen. They are the product of a lot of hard work. They are also the product of determination. And determination is what we need most in the program production industry. The will to produce top flight programming.

If the willingness to go out there and produce quality shows exists, I know the government would welcome suggestions for new incentives, fiscal or otherwise, that would stimulate the production of quality programs that will command the attention of Canadians.

We need an industry that rises to the challenge of competing with foreign programming. We need programs so entertaining, so informative that broadcasters aren't afraid to schedule them in prime time when most Canadians watch TV.

All those who contributed to the production of the nominated programs have reason to be proud. They ably show that Canadians don't have to take the back seat to anyone in the production of quality programming.

I congratulate you all.

CHECK AGAINST DELIVERY

NEW OPPORTUNITIES FOR CABLE
NOTES FOR AN ADDRESS
BY THE HONOURABLE JEANNE SAUVE
MINISTER OF COMMUNICATIONS
TO THE
CANADIAN CABLE TELEVISION ASSOCIATION
MONDAY, APRIL 2, 1979
TORONTO, ONTARIO



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I am pleased to be given the opportunity to deliver the keynote address to this year's annual convention of the Canadian Cable Television Association. The CCTA's annual meeting is surely one of the important events of the year in the world of Canadian communications, particularly since the industry in our country is one of the biggest on a per capita basis of any in the world. That fact also seems to be reflected in the large number of delegates to your convention.

Such is the importance of this annual event that it attracts delegates from more than just the cable industry itself. There are representatives from all sectors of the communications industry in Canada, and even some from the U.S. But in a way there are many more observers than are in this room this morning. We have as well those observers who are watching the proceedings of this convention on their television sets. I refer not only to Toronto cable subscribers but those subscribers in London, Ontario, who have something to celebrate themselves on what has been termed Fibre Optics Day. London is where the cable industry and the Department of Communications are testing out the new technology of fibre optics in a 7.8 kilometer supertrunk. The \$1.6 million cost of that project is, I might add, being shared on a fifty-fifty basis by your industry and the Department of Communications.

Before going any further, I'd like to make clear that I have some bad news and some good news. The bad news is that the Report of the Clyne Committee isn't available for public distribution yet. I had asked the committee to make specific recommendations with regard to telecommunications and broadcasting to me in February. And while the committee members were able to agree on their recommendations on schedule, the nitty gritty aspects of preparing and signing off and printing the final report have taken a little longer than expected. In the circumstances, although I had hoped to be able to discuss the report's contents with you during this convention, the latest indication is that the report will not be available for public distribution for a few more days. I have read the report and am satisfied that it will prove a useful contribution for reasoned debate. It isn't likely to please everyone -- including me -- but it will stimulate public discussion on the larger issues and I am particularly

looking forward to hearing the views of the cable industry. I hope you will let me have them as soon as you have had an opportunity to study the report.

The good news is that I wish to announce today a major federal government program to support the development of Telidon, the Canadian videotex technology developed in the research labs of the Department of Communications. The federal government is convinced that Telidon presents important opportunities to Canadian industry, including the cable industry. We cannot afford to miss them.

I made this very point at the time when the development of Telidon was announced last August. I said, "If we in Canada work together and act quickly, we can be in the forefront of interactive television technology."

Since then, the Department of Communications, in co-operation with the Department of Industry, Trade and Commerce as well as numerous companies from the private sector, has made rapid progress in the development of Telidon technology and field trials. The government wants to ensure that this development continues to proceed as rapidly as possible. I am, therefore, pleased to announce that we are committing \$9 million over the next four years to the Telidon program. We expect the federal contribution will be more than matched by industry expenditures and we envisage a continuing and co-operative industry- government effort to develop Telidon. Of this amount, we expect to spend \$3 million in this fiscal year.

We are fully aware that Telidon will face international competition and that we cannot be assured of success just by committing money. But we are convinced that Telidon is the best technology of its kind in the world and that Canadian industry has an excellent chance to compete successfully. Telidon has the potential for creating thousands of jobs for Canadians in the manufacturing and service supply industries. If we are not to miss these

opportunities, and if Canada is to benefit from this technology, we must act quickly and decisively.

So far, I'm encouraged by the favorable reception of Telidon both here and abroad. We have been promoting the establishment of international standards based on the Telidon concept. The standards we are advocating relate to communications protocols and leave all kinds of flexibility for innovation with regard to terminal design and service offering. Indeed, flexibility is one of the major advantages Telidon has over its international competitors. I want to stress, however, that we believe standards should be established on a co-operative basis. And for that reason, we would like to see all interested parties involved in that exercise.

I think it is important to note that Telidon can work with several different media, with the paired copper wire of telephone companies, with coaxial cable, with off-air broadcast and with fibre optic cable. It is also important to note that we hope to have field trials using all these under way before the end of this year. Telecable-Videotron of Montreal has a live Telidon-related experiment under way and Grand River Cable of Kitchener is about to launch their trial of videotex technologies. You are all no doubt aware of the CRTC's approval last week of Grand River Cable's application to test these new information technologies on an experimental basis for the next two years. And we have had discussions with a number of other cable companies. I would encourage all of you to actively explore the possibilities of this new technology and participate in some of the Telidon research. For example, there are different transmission problems over a cable channel than over a telephone circuit. If you want to offer services using such technology in the future, you will want to conduct some research into the special problems of cable. I'm sure you are already aware of the active interest of the common carriers.

The Ontario Educational Communications Authority is taking a lead in co-ordinating and preparing educational material for Telidon and plans to conduct experiments in the interactive use of Telidon for educational purposes. The OECA broadcast experiments are of particular importance in view of the strong interest in Telidon exhibited by some American broadcasters.

Another important aspect of Telidon activity is the provision of information. I've already mentioned OECA in that capacity. As well, Torstar and Southam Press have invested in videotex technology. The Globe and Mail and La Presse have also indicated they want to be involved. And a number of federal government departments and agencies have shown interest.

Based on the findings of independent studies done for the Department of Communications, we have reason to believe that the number of Telidon subscribers could exceed 600,000 by 1986. But this estimate, like those on the job potential, depends on a number of factors, especially on how quickly we move in this area.

Government participation in the Telidon program will cover three main areas of activity. These are collaboration in the field trials, collaboration in the development of equipment, and related activities such as co-ordination and standardization.

In order for the system to operate in the broadcast mode and with cable, it is essential that appropriate terminal interfaces and head end equipment be specified and designed. Work has already begun at Cablesystems Engineering and at Norpak Ltd. and we expect a preliminary prototype system to be available by June this year. This follows some significant improvements in the way of encoding videotex signals which have recently been developed at the Communications Research Centre.

The past year has been another good one for your industry. The latest available Statistics Canada data show that 1977 revenues increased by 18 per cent to \$232 million and that net profit after tax rose by 36 per cent to \$24 million. It is a credit to the cable industry that its spending for program origination on the community channel has increased by 33 per cent to \$13 million. From my perspective, although this amount is still relatively small -- representing roughly half the suggested CRTC guideline -- it is an important community-oriented step which has provided thousands of Canadians with a familiarity with our modern communications world. The industry has come a long way since 1967 when its revenues were \$22 million.

Sustained growth, however, must be backed up by research and development. More and more, there is a growing awareness of the need for government and industry to substantially increase research and development efforts in areas where Canada has technological strengths, such as in communications. Northern Telecom Ltd., for example, recently announced a 38 per cent increase in its expenditures on R and D.

I am convinced that the investment we make in research and development is an investment in our future. In this regard, cable companies are wise to consider the possibility of setting up an institute devoted to research and development which would be of benefit to your industry. I welcome such a move.

I would now like to refer to certain developments in the past year which can be expected to affect the cable industry and the services Canadians can obtain on cable.

One of these developments has to do with satellite technology. The government recognized that in order to maximize the potential of satellites we had to review the policy governing ownership of earth stations. As you know, I

recently announced a policy which allows cable operators, broadcasters, and common carriers to own receiving terminals. While this means new opportunities for cable, it also means that the Canadian public will have access to new services. Furthermore, this new policy should stimulate a demand for earth stations manufactured by Canadian companies.

I was greatly encouraged by the cable industry's submission to the Clyne Committee with respect to the ownership of earth stations. Your submission states: "The Canadian cable television industry supports the expressed desire of the Minister of Communications to ensure that earth stations of Canadian manufacture are used in conjunction with the satellite communications system in Canada."

I welcome the commitment of one sector of the Canadian communications industry to support another. I believe your confidence in Canadian manufacturers of earth stations such as SED or Spar will be well placed. They have the capability to produce a superior product at prices competitive with those of foreigners.

Indeed, I understand some of you have already ordered earth stations or are negotiating their purchase from Canadian manufacturers. There has been some talk of cable companies aggregating their purchases to obtain earth stations at the best possible price. That's great and I urge you to do everything possible to see that it happens. I think this would be an important demonstration of the cable industry's commitment to Canada's future.

It's one thing to have a receiving terminal, but there must be something to receive. And that something, I believe, must strongly reflect Canadian sources for programming. That's one of the things that interested me about your submission to the Clyne committee. Canadian content was also the message

carried to the satellite package conference held in Ottawa in early March, shortly after I announced the new earth station policy.

I believe there is a strong interest in the cable industry in introducing a multi-channel satellite program package. This has been demonstrated by specific proposals as well as the industry's active representation at the satellite conference last month. In fact, the president of one cable company and a participant at the conference wrote to me to, and I quote, "congratulate the Department of Communications for providing this opportunity for broadcasters, cable operators, telecommunications carriers and Department officials to discuss the potential programming for satellite broadcasting." He added that he would "be pleased to participate in any such future conference." The interest is not emanating solely from the industry, however. I've received numerous letters from Canadians residing in rural and remote areas who are concerned about the level of broadcasting service available to those areas. Many of them have little or no viewing choice at the moment. They think they are entitled to more diversity, and I agree with them, particularly in light of the modern technology at our disposal.

It seems to me that we should proceed quickly with a satellite package designed to serve presently ill-served areas. I understand that one of the results of the conference was an agreement in principle to establish a working group with representation from industry and government to co-ordinate this effort and iron out the institutional and financial arrangements required.

The establishment of a satellite package will require extensive collaboration among the various sectors of the communications industry as well as with government. I do not think that such co-operation is impossible. Indeed, the recent example provided by the agreement between the CBC and Cable Satellite Network Limited on the delivery of the proceedings of the House of Commons demonstrates that it can be done.

I believe that there are many Canadian signals that could be attractive to cable subscribers across the country, and at the same time strengthen our domestic broadcasting system. Some of these might be special cable channels, such as the children's programming channel, educational TV networks, CBC 2, and of course, pay-TV.

This morning I've mentioned three new technologies -- Telidon, satellites, and fibre optics. All hold promise for Canadian communications. We have strengths in all three areas. In fact, these strengths have been recognized by other countries as well. We have recently had representatives from France, West Germany, China, Australia and Japan, among others, coming to see the advances being made in these new technologies here in Canada. And by the way, for those who have not already had a demonstration of Telidon, I would urge you to visit the exhibit on the mezzanine floor where Telidon will be on display for the duration of the conference. As well, there is a Computer Culture Exposition going on at Harborfront right now, where Telidon is also on display.

Although these new technologies can act as an economic stimulus, they also raise a number of policy and regulatory issues of importance to the communications industry as a whole. Last year when I addressed this association I said the cable industry was at a crossroads. I raised the question of the status of cable, its possible future directions and options. I believe the consultations we have had since then with the CCTA and its individual members have been constructive. I am convinced by the arguments of the CCTA and others, including the Province of Ontario, that there is a real and pressing need to look again at the proposed Telecommunications Act with a view to clarifying the status of cable. Cable is distinctive and should no longer be viewed as simply a part of broadcasting, as a broadcasting receiving undertaking. I think we ought to consider an amendment to the Bill which better reflects the realities and possibilities.

In this process, we will, of course, have to take into account the recent discussions of First Ministers, and in particular the proposal whereby the provincial and federal governments would have concurrent authority over cable distribution systems. In practice, this would mean that the provinces would license cable systems within a province, but they would regulate cable distribution systems within a framework of federal legislation related to matters such as programming content and broadcasting. I understand your concerns about the possible effects of a change in the distribution of regulatory authority on the operations of your companies. These were expressed to me by your association executives when we met prior to the First Ministers' Conference.

Let me reassure you again that we will avoid any unnecessary regulatory duplication. You will be consulted before any transfers of power take place.

I am optimistic about the future of the Canadian communications industry. I think it has great opportunities for all sectors, opportunities that are as exciting and as promising as those in this fibre optics trial in London.

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CHECK AGAINST DELIVERY

THE RIGHT TO DIGNITY:
SEXIST STEREOTYPING IN THE ELECTRONIC MEDIA
NOTES FOR AN ADDRESS
BY THE HONOURABLE JEANNE SAUVÉ
MINISTER OF COMMUNICATIONS
TO THE
SECOND INTERNATIONAL ADVERTISING SHOW
WEDNESDAY, APRIL 25, 1979
MONTREAL, QUEBEC



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These days, any group of advertisers runs a certain risk when they invite a woman to speak before them. For inevitably, the issue of sex stereotyping in the electronic media is bound to emerge. Some of you may already be familiar with my own interest in the issue, so I doubt that it comes as much of a surprise when I tell you that my remarks today centre around this very subject.

Advertising, as those in the business invariably point out, is an integral element of our free-enterprise based society. No one today disputes the cumulative power of the electronic media, the major cultural imprinter of our time. Their ability to shape tastes and to contribute to the definition of individual and social goals need not be chronicled before this audience.

As we all know, there have been rapid changes over the past decade, particularly in the way in which women relate, and are perceived to relate, to the society of which they form a part. When social change of such magnitude occurs so rapidly, it invariably leaves many elements and institutions out of step with the changing times. There is a paradox here. The media have provided the means by which the winds of change have blown with such force and penetration. And yet, the media itself continues to reflect attitudes and a bias which are throwbacks to an era that has all but vanished.

It may be presumptuous to assume that changes can be made overnight. After all, the image of women, at least in the eyes of some, has suffered in the hands of the media for centuries now. Classical Rome did not have the benefits of television. But it did have Virgil, the poet, who wrote around 30 B.C. that: "a woman is always a fickle, unstable thing." Alexander Pope, two centuries ago went so far as to write that: "Most women have no characters at all."

Or this, from the German philosopher Frederick Nietzsche: "Woman was God's second mistake." And then there is this gem from George Meredith written more than a century ago: "I expect that woman will be the last thing civilized by man."

Well, nothing's new. Last night, my own television set continued to parade its nightly bevy of women up to their elbows in dishwater, heads stuck in the oven, oohing and ahing over soaps and deoderants, happily scrubbing their fickle little lives away.

Where is the reality here? If the media reflect reality, may I suggest that the mirror is a little opaque and perhaps in need of a new, improved brightener. On the other hand, if media are more than a reflection, and have as well the power to nudge society into new directions, are these the directions in which we want to be elbowed?

No one plunges very deeply into the subject of sexist stereotyping and the electronic media without brushing against the notion of taste in advertising. Taste is an elusive concept, difficult to pinpoint and extremely personal. As a president of the Canadian Advertising Advisory Board (CAAB) Robert Oliver has been quoted as saying, "taste varies from person to person, from region to region and from time to time."

There have been literally millions of words written on the subject of women and the media. And if there is any question left in the minds of anyone as to what women want, I think it can be reduced to this: the simple right to dignity.

When we broach the subject of change, we do so in full knowledge that no change, which has as its result the restriction of freedom of the press, is worth it, whatever the benefit. We begin with the premise, so well articulated by Walter Lippmann, that a free press "is not a privilege but an organic necessity in a great society."

So, we do not have the power, nor would we want it, to muzzle the media, or to direct in anyway, programming or advertising content.

But at the same time, I, like most women and men, am concerned. And I want to spend the next few minutes talking about a new program which will translate this concern into action.

Before doing so, I want to make one important point. It would be unfair to the media and advertising industries to suggest that they are all villains in this respect. On the contrary, the Canadian Advertising Advisory Board, a voluntary organization funded by advertisers, agencies and media, has been sufficiently concerned about the issues of sex stereotyping in the electronic media to undertake studies of its own. In a November 1977 Task Force Report entitled, Women and Advertising: Today's Message, Yesterday's Images, it was concluded that many advertisers are aware of the changes among men and women in Canada and the report made recommendations to improve the existing situation. The report stated that real problems still persist and in particular, problems in the portrayal of the sexes were seen to lie primarily with the cumulative effects of many ads, rather than with any one ad. This report widely percolated through the industry and its recommendations, while not having the force of regulation, at least have served the exercise of consciousness raising within the industry itself.

Despite some evidence of improvement, however, the daily assault on the dignity of women continues. To deny that there is a problem is to deny the effectiveness of advertising, for critics say that advertising in selling a product, often sells a supplementary image as well.

According to a report done for the CRTC on attitudes of Canadians toward advertising on television, 59 per cent of Canadians - both male and female - agree that a lot of television advertisements are insulting to women. Statistics like that contain the seeds of a major revolt. So it is in the best interests of advertisers themselves to accept the reality of change.

Another revealing barometer of public sentiment is the number of letters I receive on the subject -- about 50 in the past month alone. And nothing comes under the guillotine of public disgust as much as the promotion of feminine hygiene products on TV.

Many of you are aware of the excellent report prepared in June 1978 by Alice Courtney and Thomas Whipple for the Canadian Advisory Council on the Status of Women on Sex Stereotyping in Advertising.

The report concluded that, when the advertising industry accepts change, without apologizing for it or explaining it away or manipulating it, ads begin to be simultaneously liberated, creative and effective. So change can, and will, eventually come from within. My particular interest is in developing effective channels so that the Canadian public can help influence and bring about this change.

The Courtney-Whipple report indicated three major channels available for changing the way advertising portrays the sexes: 1) education and persuasion of individual advertising agencies 2) development of relevant codes of industry and media self regulation and 3) legislation. "For most areas of concern, education and persuasion of industry practitioners should be continued."

I agree. And it is therefore with pleasure that I am able to announce today the formation of the Committee to Monitor Sexist Stereotyping in the Electronic Media. The committee, made up of 12 influential and independent Canadians from across the country, will monitor the Canadian electronic media -- particularly advertising -- for sexist content and, through regularly publishing the results of its analysis, will empower the Canadian public to bring pressure on advertisers and broadcasters.

The formation of the committee had its genesis in 1975 with the World Conference of the International Women's Year in Mexico City. At that conference, a world plan of action was declared for the implementation of the objectives of the IWY, to be carried out over the next decade. Each member country endorsing this basic plan was then to set out specific actions in relation to its own situation regarding the status of women.

On October 13, 1977, the federal government agreed to participate in this decade of action, through the preparation of a Canadian Plan of Action. Responsibility for the development of the Plan was given to an Interdepartmental Committee, with membership composed of representatives from those departments most active in programs related to women's issues.

A report was prepared, in consultation with provincial governments and non-government organizations and submitted to the Government. This resulted in the release this year of the publication, Towards Equality for Women, the government's plan of action on the status of women.

The report is the federal government's commitment to the women of Canada to equalize opportunities and ensure progress through a series of specific changes to government legislation, policies and programs.

To realize the equality between women and men, the report endorsed these three basic principles:

1. All persons should enjoy equal rights, opportunities and responsibilities, without regard to differences of sex and marital status, and these rights should be protected by law.
2. Both women and men should have the opportunity to make free and informed choices about how they live. Therefore, neither laws, nor society should impose sex-stereotyped roles on women or men.
3. There shall be no special treatment on the basis of sex, with two exceptions: measures relating to maternity, and short-term measures to reduce or eliminate disadvantages suffered by women due to past discrimination.

In relation to the second basic principle, I have requested the Canadian Radio-television and Telecommunications Commission to develop guidelines and standards to encourage the elimination of sex role stereotyping on television and radio including the development of codes to define sexist content in advertising and broadcasting. This was initiated, through a letter I sent to CRTC Chairman Pierre Camu on March 13 of this year. The CRTC has already begun the process.

As well, the federal government agreed that I would establish the group which I am announcing today.

. . . 7

The government's concern is based on the view that the use of sexist stereotypes in advertising is an impediment to the changing status of Canadian women and that the negative portrayal of women is becoming increasingly offensive. Women are, to a greater degree than ever, participating in the work force and assuming key roles in society. They rightfully object to bias stereotyping.

Therefore, the issue of sexist stereotyping in the media is an important factor in promoting the status of women in society and eliminating the discrimination they have traditionally faced.

The Committee is being established as an independent committee. The independence of the Committee is important, since the Government is prohibited -- as it should be -- from interfering in content. The Committee's independence will be guaranteed in two ways: first by the stature of its members and second by its right to publish what it pleases without reference to either the Minister or the Department of Communications.

Its members form a cross-section of some of the most experienced people in fields related to their mandate. The Chairperson is Madame Stella Baudot, who among her many qualifications is a professional researcher and public opinion poll taker, a member of la Fédération des Femmes de Québec, and of many other associations. I won't take up the time to list the rest of the membership here, but I am issuing a news release today giving further details. Since some members have an association with the media, there should be a particular sensitivity to concerns both within the sector as well as without.

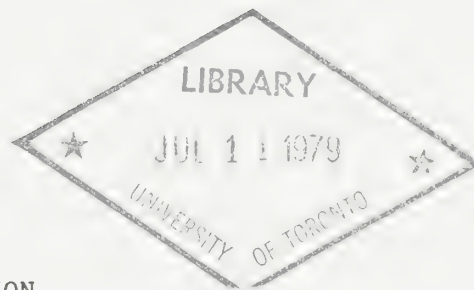
I have confidence that the committee, by providing avenues for translating individual concern into public pressure, will soon generate positive results. And I have confidence that the day will come when basic humanity prevails on the airwaves; a day when all of us can enjoy the simple right to dignity.

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CHECK AGAINST DELIVERY

THE COMPETITION-MONOPOLY SEESAW

NOTES FOR AN ADDRESS BY
BERNARD OSTRY,
DEPUTY MINISTER OF COMMUNICATIONS,
AT THE
ANNUAL CONVENTION OF THE
CANADIAN TELECOMMUNICATIONS CARRIERS' ASSOCIATION



DELIVERED BY JEAN FOURNIER, SENIOR ASSISTANT
DEPUTY MINISTER OF COMMUNICATIONS

ST. ANDREWS, N.B.

June 18, 1979



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In sitting on this panel, I don't know whether to describe myself as a sinner among three saints, a saint among three sinners, or whether all of us are sinners -- or saints, for that matter. Certainly, the choice of panelists offers the potential for looking at the question of telecommunications competition from a number of viewpoints, and I suppose everyone in this room will eventually have to judge from our observations and performance how holy we all are.

The whole question of competition, particularly in relation to telecommunications is a toughie. For one thing, the issue is hardly new -- governments, consumers and industry have been taking to the podium over this issue literally within a few years of that first telephone call in 1876. Most of the arguments have been debated, and considered; most of the positions of the various players is deeply chiseled into their corporate or organizational viewpoints. I don't know whether I, or anyone else here today will have much luck injecting new material into this long-standing debate. Perhaps my contribution to this panel discussion will be most productive if I concentrate on a few personal observations and perhaps raise a few pertinent questions which we could examine together, or which you may wish to take away with you.

In the beginning, as the Good Book tells us, telephone and telegraph carriers evolved as monopolies essentially because of a technological

imperative. In 1880, four years after the invention of the telephone, a Southern Ontario newspaper focussed on the problem in this way: "Our town", printed the Chatham Planet, "in common with other communities all over Canada is agitated just now on the subject of telephone communication between house and house. No less than two telephone exchange companies are engaged in stringing their wires across the streets and over housetops, eager to prove to our businessmen (their) respective advantages... If the interesting rivalry continues, it may be that ere the summer zephyrs blow again, our town will be so thoroughly wired that the spider's occupation will be gone and the unsuspecting house fly will be tripped up at every step."

So, the sheer practicalities of electronic communications in those early days demanded an integrated system.

For many years, it was generally accepted that established telecommunications common carriers such as Bell Canada, B.C. Tel and others -- hundreds of others in the early days -- had a right to provide most, if not all of the telecommunication services and facilities in their respective operating territories. Although a degree of competition developed between CNCP and TCTS members, particularly in the provision of data services, it was recognized that, short of nationalization, regulated monopoly was the only reasonable alternative.

But, steeped as we are in the philosophies and practices of free enterprise, there is little wonder that any monopoly, regardless of how expertly regulated, monitored, watched, and controlled by well-intentioned governments, becomes slightly suspect in the minds of many people. The square peg of monopoly just doesn't fit well in the tidy round hole of the open, free play of market forces.

If we take a broad overview of the history, and the evolution of telecommunications in Canada -- and I make no apology for painting with broad brush strokes here -- we find that the monopolies in the telecommunications industries have been opposed by philosophical forces which have tried to find ways of whittling round the square peg.

But the pace of change in the telecommunications industries in Canada and elsewhere has, until very recently, been quite slow. The telephone itself and the switched system represents a technology basically unchanged over the first eighty years or so of its existence. So, the technological and economic imperatives that gave rise to monopolistic conditions in the first place, remained.

Recently, however, and particularly within the past ten years, the whole question of monopoly in the provision of telecommunications is coming more and more under scrutiny. The environment is changing, and changing rapidly. The technological flotilla of the past decade, with its enticing

cargo of new services and new facilities, and its seductive promise of more to come, is having certain impact. So the old rules, governed by earlier technological and economic imperatives, are giving way.

But it is not only technology that is dictating change. New philosophies -- philosophies which reach to the heart of our traditional concepts about government regulation -- are beginning to surface and to have an impact on the whole issue of monopoly and competition. Many of our institutions, including the federal regulatory bodies, the provinces, the industry and consumer associations are participating in the new debate.

As you know, in July 1978, the Economic Council of Canada also began to look at the effects of increasing government regulation generally, and will be coming out with recommendations aimed at improving its effectiveness and reducing its cost. The regulation of telecommunications is one of the areas to be investigated by the Council. As can be expected, increasing interest in the philosophy of regulation raises another set of fundamental questions. How much regulation is too much? How much is not enough? What forms of regulation are the most appropriate for particular cases? Who - that is what jurisdictions - should be regulating?

At the same time, we find users pressing for new services and greater freedom of choice. Given that the carriers, as a fundamental

responsibility, must provide certain services over their entire operating area at reasonable cost, the question is not one of monopoly versus competition, but rather: "Where should the boundary between monopoly and competitive services lie?"

The rapidly-changing competitive environment in the United States is also having an impact on Canadian thinking. Inevitably, ground broken in the United States tends to make spadework easier here. Established carriers in the United States, and more recently in Canada, have begun to move into new areas. At the same time, new firms, offering selected services and facilities in limited markets, are springing up to meet growing subscriber needs.

With all these changes going on, many are now saying that the old arguments which were used to fix the boundary between monopoly and competition may no longer be valid. The views of the carriers and others on the issue will be important here and should take into full account our rapidly changing environment. Many are saying that monopoly in the telecommunications sector is not a birthright; it was a convenience dictated by the times and the technology. As times change, we must all be flexible enough to see whether our institutions should be changing as well.

For example, the reaction of U.S. carriers to the concept of competition was, initially, firm and unyielding. But a curious thing has happened in the United States--curious, that is until you recognize the carriers for the entrepreneurs that they are. I did not have the opportunity of hearing Charles Brown speak yesterday, but I did read his article in the January issue of Telephony. As he puts it, the industry in the United States has developed a "new realism", which recognizes that competition is a fact of life.

We in Canada have had the luxury of looking southward and being able to learn from the trials and errors of our neighbours. The carriers in the United States have gone through a sometimes painful transition in coming to grips with the "new realism", but I sense that they are becoming much more comfortable--indeed confident--in their new role. And the industry has, if anything, been strengthened by the experience.

The U.S. experience raises a number of questions. How much should the U.S. solution be imported into Canada, if at all? To what extent is the U.S. experience relevant to us? The United States carriers have evolved quickly and extensively into a competitive industry, and this may be right for the U.S. But is the degree of competition which is appropriate in the U.S. market, or for that matter, the rate at which competition is introduced, necessarily appropriate for Canada? Would certain types of competition encourage cream skimming?

For example, whereas the so-called "specialized common carriers" in the United States are able to build their own networks and compete with established carriers for many services, there is the view that Canadians cannot afford the luxury of three or four telecommunications carriers competing on a national basis. That view is based on our geography and demography--our scattered population and the difficulty of achieving economies of scale.

The new Communications Act in the U.S., first introduced in 1978, would make competition and deregulation facts of life in this sector. Are there features of this legislation which could be useful in determining our own course of action?

A cascade of other events is also contributing to the changing environment. They, in turn, raise important questions--urgent questions--which must be answered in determining a realistic and satisfactory boundary between monopolistic and competitive services.

Let's examine some of these:

Consider, for example, recent developments in the area of terminal attachment - an issue central to the question of competition. What will be the effect on Canadian manufacturers of an increasingly liberalized

attachment policy? How can we ensure that the effect on existing telecommunications structures and service is not detrimental to the public interest? Would changes jeopardize the ability of carriers to provide universal service? How will users be affected? And in what ways will they benefit? What will be the effect on Canadian manufacturers of an increasingly liberalized attachment policy? These questions are hardly academic, since recent regulatory and court decisions have increased the pressure for liberalized attachment.

The whole question of network interconnection, in the wake of the recent CRTC decision, also relates directly to the issue of competition in the telecommunications sector. The sheer length of the decision - 300 odd pages - is testimony enough to the complexities involved here.

Or take another question looming on the horizon - a question of enormous importance to the future of telecommunications in Canada - the question of plant integration. Despite the warnings of the Chatham Planet 99 years ago, two local distribution systems are now in place in most Canadian communities--telephone and cable. With the potential replacement of copper wire and cable by fibre optics in the next decade or two, how will this new technology affect the issue of competition? What will be the future role of the cable companies? Of the carriers? Would there be any savings through plant integration? What would be the advantages? The disadvantages?

Some of the fibre optics trials that the federal government is participating in and helping to fund, such as the joint CTCA - Department of Communications trial at Elie, Manitoba, will provide some initial answers here, but the issue, as I hardly need to stress here, is immeasurably complex and not easily resolved.

Which leaves us with the role of government. Whatever policies governments develop in relation to the competition-regulated monopoly issue are and must be governed by one dominant factor -- the public interest. And we do not, nor should we equate the public interest uniquely with the interests of the telecommunications consumer or user -- although he represents an important component of the public. Rather, the role of government is to sift through the broad range of argument to try to find a reasonable equilibrium among the many and often competing interests. And, governments have an obligation to define and push for social goals in addition to economic ones.

As most of you are aware, a federal-provincial working group, established in the wake of the last meeting of federal and provincial Ministers of Communications, has also been looking at the question of competition and the structure of the industry, particularly as it relates to

the public interest. And although its work is not finished, its progress so far has been encouraging.

But there is a broader aspect to government concern as well. I think all of you in this room are more than familiar with the reasons why governments are becoming so much more interested in the communications field than they were even a decade ago. The sector is emerging -- some say it has already emerged -- as the most important of a modern industrial nation. The percentage of the Gross National Product represented by the sector is increasing. It provides employment, particularly in the skilled and managerial trades, to thousands. It links us together as a nation in a way that the railroads and transportation corridors never could, by combatting the twin barriers of distance and time in a single electromagnetic burst. It has become our intellectual and cultural nervous system.

I do not apologize for having raised questions without immediate answers. I have done so because the issue of competition in the telecommunications carrier industries is inextricably linked to the future of telecommunications generally. Another piece in the puzzle. If there is one thing I have learned in the time I have served as Deputy Minister of Communications, it is that decisions cannot be taken piecemeal, in isolation from the myriad and interlaced considerations of the telecommunications environment. The Clyne report "Telecommunications and Canada" also made the

same point. The issues are too significant, and results of decisions too important to our future as a nation and a society to treat in any way other than as part of an emerging picture of the future.

The new federal government has also recognized this. It has recognized the central importance to Canada in its decision-making on communications and culture. It has done so by placing in the inner Cabinet a man who has separate but linked responsibilities for Communications and the activities of the Department of the Secretary of State -- the hardware and software if you like -- and Mr. MacDonald apart from chairing the social affairs sub-committee, is also a member of the Cabinet's economic committee. Thus, there is early evidence that the new government has learned what many of us in this room have believed in for some time. This can only be good. If nothing else it indicates that communications has a higher profile within the federal government and its departments. It will be interesting to see what impact that will have on the subject matter of this panel as the life of this administration unfolds.

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CHECK AGAINST DELIVERY

TOWARDS A NEW TELEVISION DECADE

NOTES FOR AN ADDRESS

BY THE HONOURABLE DAVID MACDONALD

MINISTER OF COMMUNICATIONS AND SECRETARY OF STATE

TO THE

CANADIAN FILM AND TELEVISION ASSOCIATION

OTTAWA, ONTARIO

OCTOBER 4, 1979



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On March 2, 1932, Prime Minister R.B. Bennett said: "It must be agreed that the present system of broadcasting is unsatisfactory. Canadians have the right to a system of broadcasting from Canadian sources equal in all respects to that of any other country. The enormous benefits of an adequate scheme of radio broadcasting controlled and operated by Canadians are abundantly plain. Properly employed radio can be a most effective instrument in nation-building, with an educational value difficult to estimate." With those words, Mr. Bennett set in motion the chain of events which resulted in the founding of the Canadian Radio Broadcasting Commission and eventually the CBC.

He was also doing something else with those words. He was acknowledging the existence of an intense national preoccupation with broadcasting which had existed since 1922 when 39 commercial broadcasting licences were issued by the Department of Marine in Ottawa. And that fascination has endured right up to the present day. For the past 50 years and more, it has been the rare Canadian who has not had a strong opinion on some aspect of our broadcasting service. Successive governments have laboured mightily to figure out what's right and what's wrong with Canadian broadcasting. We've had the Aird Commission, the Massey Commission, the Fowler Commission, the Glassco Commission, the Fowler advisory committee, the Clyne committee, as well as innumerable parliamentary committees, task forces, white papers, green papers, even Judy LaMarsh -- all, strenuously and with varying degrees of success, grappling with the question of Canadian broadcasting.

Why this massive expenditure of energy, this vast outpouring of sound and fury over broadcasting for more than 50 years? The reason is obvious. Broadcasting has had a profound effect on virtually every sphere of Canadian life. But Canadians know that this unique powerful medium of instant communication can do much more. We have never completely dispelled the feeling that broadcasting has not quite lived up to its promise.

What is that promise? First and foremost, it is cultural. Because of the power of broadcasting, the creative expressions of music, art, drama and documentaries make possible a genuine celebration of the many communities which together define our national life. Broadcasting should be the vehicle for a dialogue and enrichment among these communities so that all will grow to appreciate the role of each in our polychromatic culture.

Broadcasting also performs a significant social function. In an age when the use of leisure time is a growing preoccupation, entertainment programming constitutes an important contribution to the quality of Canadian life. Broadcasting in society can be a catalyst for change or a bond of community and tradition, but its social impact cannot be overemphasized.

Less well appreciated is the economic importance of broadcasting. It is a highly labour-intensive industry, employing many

thousands of Canadians. Any expansion would therefore lead to a sharp rise in opportunities for people in many categories of employment. In fact, broadcasting stands on the cutting edge of a second industrial revolution in which the Canadian workplace may be dominated, not by the boredom of the assembly-line, but by individual self-expression possible through new creative outlets and technologies.

As can be expected of something which affects our culture, our society and our economy, broadcasting is not without its political implications as well. Indeed, it is difficult to recall the time when politicians -- occasionally to their anguish and embarrassment -- were not being breathlessly interviewed before the cameras in the foyers and hallways of the House of Commons. Television news and public affairs programs bring the personalities and issues of our politics into Canadian living rooms with an immediacy no other medium can achieve. The government may not have a place in the bedrooms of the nation, but, with live television coverage of the House, the nation now has the luxury of being able to fall asleep during question period. Immediate coverage of the events which shape our lives is vital to Canadian democracy in an age when political issues have become ever more complex and inter-related. Mr. Bennett, 57 years ago, realized that, much like the ribbons of steel of an earlier time, the nation needed an electronic highway linking the hearts and minds of the Canadian people.

Has that potential become a reality in the last 57 years? Well, certainly, we've made progress. In 1936, the CBC came into existence. By 1939, the Corporation reached 84 per cent of Canadians with its radio services. By then, most urban Canadians could also pick up an assortment of private stations. In 1952, television began to replace radio as the most powerful and promising electronic medium of communication in Canada. With the CBC in the forefront, television networks spread across the country. Despite the enormous effort and expense spent to extend broadcast services physically, despite our programming achievements over the years, Canadian broadcasting remains to a large degree a potential in search of realization.

One reason for this is that past Canadian governments have always responded too late to the emergence of new telecommunications technologies. We adopted a strong policy on radio only after it had been available in the United States for over a decade and American programming was reaching into Canadian homes all along our southern border. The same defensive pattern recurred twice with television -- when it was first introduced, and later when colour TV came. In all cases, the results were the same. Canadian broadcasters had an uphill struggle to win back their home audience.

And that struggle may only be intensified by the emergence of new, more powerful distribution technologies which might bring in even more foreign channels. The thin edge of the wedge was cable which brought the full range of American programming into all our major urban areas. But that was only the beginning. Satellites introduced Canadians to live telecasts of major international sports, news and cultural events. At the present time, the federal Department of Communications is receiving requests from industry and the public for permission to receive American satellite signals, and there is already a rise in the unauthorized reception of such signals by Canadians. In the not too distant future, we may see the widespread use of fibre-optics and direct-broadcast satellites, both of which might bring a vastly greater number of TV channels directly into Canadian homes. And there is an obvious limit to what we can do through regulation of Canadian content to ensure that Canadians want to watch Canadian programming. Even now, despite the popularity of some Canadian programs. Canadian-produced material is a shrinking proportion of all the programming watched by Canadian viewers.

We possess a telecommunications system which -- with new satellite and cable technologies -- may soon have a distribution capability greater than almost any in the world. But our program-production industry, in comparison to this awesome distribution technology, is sadly underfinanced and underdeveloped. We are left, in short, with a staggering discrepancy between what we may soon be able to deliver and what Canadians want to deliver to realize the potential of broadcasting.

A responsible and publicly accountable government should strive to redress this imbalance. But it need not be a defensive action like those earlier belated responses. I believe, in fact, that we are not too late and that the conditions exist for decisive action to be successful. As I recall the many excellent programs produced by members of this association, I know we have the necessary creative capabilities to face the challenge. I also think -- and I believe this is an absolutely crucial perspective to bring to the debate -- that the new technology, rather than sounding the death-knell for Canadian broadcasting, may provide us with an opportunity to expand its horizons into new and untravelled regions. For example, if the new technology delivers many more TV channels, the programming on any given channel may be directed less at a mass and more at a special-interest audience. This multiplication of channels may simultaneously create a growing market for Canadian programming.

The challenges are not confined to any one sector of the broadcasting industry or any one level of government. I am seeking the active co-operation of the provinces in meeting these challenges. We shall also welcome -- and, indeed, are actively encouraging -- input from every sector of our broadcasting and telecommunications

industries. And we should all keep in mind that no piece-meal or partial approach will be sufficient. We are seeking, rather, a comprehensive policy for Canadian television in the 1980s, a policy that will include specific, well-co-ordinated measures to bring the entire Canadian television industry into the new decade. I am here today to give you some indication of the direction such a policy might take.

Its central goal is quite obvious: to make more and better Canadian television productions available to more Canadians. This would not mean that we would restrict in any way Canadians' right of access to the best programming the world has to offer. It does mean, however, that we are determined to provide good, popular and varied Canadian programming with an assured place in the new television system of the 1980s.

Two objectives flow from this central goal:

First, we would further extend broadcast services to inadequately served areas of the country in order to make them compatible with the basic level of service available throughout Canada. There is no justification in the satellite era for any Canadian to be without an adequate range of broadcasting services.

Second, by creating an environment for growth within our domestic program-production industry, we shall make more Canadian-produced television programs available, and provide more genuine choice to both mass and specialized audiences. We wish, in short, to foster the emergence of a mature Canadian television-production industry. Whether a viewer is an urban dweller, a farmer or a native person, he or she should be able to get the Canadian programming which suits his or her needs. Such a television service could include conventional mass programming, special-interest programming or -- in the case of native people -- programming in their own language produced by their own people.

These objectives lead naturally to policy initiatives dealing with distribution and programming, respectively.

Let's look at distribution first.

I have already mentioned that broadcasting services are not equitably available across Canada, and it is my firm determination to bring this unfair situation to an end. I shall welcome the active co-operation of the provinces in this endeavour, and, in fact, there are already some significant instances of federal-provincial collaboration. The cable television studies in the Atlantic Provinces constitute one excellent example of such co-operation, as do the recently-inaugurated experiments with direct broadcast satellites.

If we are to set up our own satellite broadcasting system, we shall have to proceed quickly, particularly to ensure that the reception of american satellite signals do not undermine our efforts to create our own system. It is encouraging that many Canadians have expressed a strong interest in the possibilities of such a system and have even put together specific proposals. No one has come up with the exact configuration of a system which would satisfy the needs of our program producers and the Canadian public. To do so is a top priority.

At the Federal-Provincial Conference of Communications Ministers October 16-17, I shall be presenting for discussion a proposal on how best to proceed towards the establishment of a Canadian satellite broadcasting system. I look forward to their reaction with interest, for the matter is urgent and Canadians could well lose the chance to benefit fully from satellite technology if we hesitate too long.

The expenditure of all this energy on satellite and cable distribution systems would be quite senseless without action to stimulate Canadian production.

One possible stimulus is Pay TV. Pay TV is often mentioned to me in the same breath as satellites. In fact, the two are related, and I've heard proposals dealing with both. None of these, however, adequately meets the needs of either domestic program producers or the

public interest. Again, a solution is required. American pay-TV is now available in Canada, and could, if we don't act soon, prevent us from creating a national system which meets our own needs and guarantees generous support for Canadian program production. In two weeks, I shall propose to provincial ministers a process of public consultation in resolving the issue of Pay-TV in Canada.

This government is also developing and will soon propose for your consideration, immediate measures in support of the Canadian television-production industry. I realize that, like all our cultural industries, TV program production must be considered within a framework of industrial and economic strategies. An interdepartmental committee on cultural industries is examining this question with a view to recommending specific incentives which could increase the level of private investment in, and marketing of, Canadian television production. We are attempting to adjust the 100 per cent capital cost allowance on investment in certified Canadian film or video productions to this end. The Federal Business Development Bank, the Small Business Loans Program, and a range of federal industrial and export incentives could equally be more responsive to the needs of the television production industry.

We also intend to make sure that federal agencies directly involved in broadcasting or related fields are more responsive, not only to the needs of independent Canadian program producers, but also to the many communities which compose this multidimensional nation.

I shall be discussing with members of the National Film Board how it can best contribute to a television system for the 1980s. One obvious direction is its role as a catalyst in local film making. In its splendid efforts to date, the Board has shown a unique sensitivity to the role of film in small communities. We are also contemplating an expansion of the activities of the Canadian Film Development Corporation to meet the special needs of television producers. I look forward to discussing these and other possibilities with you.

The CBC will, of course, deserve special attention. It has long provided excellent programming in both languages to Canadians in urban areas and in the remotest parts of the country. Its achievement has been a tremendous one. At the same time, no one -- least of all a CBC executive -- would admit that the corporation is perfect. There are a number of initiatives that can be taken with respect to the CBC and which I will raise with the corporation in the near future. These could include, for example, the greater use of independent program

producers; further regionalization of its operations to render it much more sensitive to the programming needs of local and regional communities; and the provision of more native language television programming. The CBC has already begun work in some of these areas and I am confident that, with its cooperation, we will soon see real progress.

In addition, the CRTC has indicated that it is currently examining the effectiveness of Canadian content regulations for television. Since the content regulations have a direct impact on the production industry, I am asking the CRTC to speed up this examination.

These various initiatives to strengthen our program-production industry and render Canadian programming more competitive will only take us a short way along the road to a television system fully adapted to the realities of the 1980s. My proposals for satellites and pay-TV at the upcoming federal-provincial conference of Communications Ministers may take us a little further along the route.

In the next Parliamentary session, I intend to put forward a Telecommunications Bill which will consolidate and rationalize the regulation of telecommunications in Canada. Its purpose will be to adapt federal law to the realities of the 1980s in a way which is responsive to provincial concerns. The bill will differ from that

which the previous government has had on the order paper on several occasions in the past, and I will have the opportunity to provide more details on this in the near future.

In the longer term, it is my intention to integrate broadcasting concerns into a broader cultural framework and process of public and Parliamentary review. In this process, neither myself nor the federal government will proceed unilaterally. The issues are too profound, too complex and -- in some instances -- too hidden in the future for us to act by fiat, even if we had the inclination -- and we don't. We shall solicit the suggestions, comments and proposals of members of the broadcast and telecommunication industries, creative people, interested Canadians and the general public. We shall also consult extensively with provincial governments and make every effort to be responsive to their interests.

The final result I look forward to is a comprehensive policy for Canadian television in the 1980s, a policy involving specific and well co-ordinated initiatives to deal with the fundamental problems and opportunities of Canadian television in the new decade.

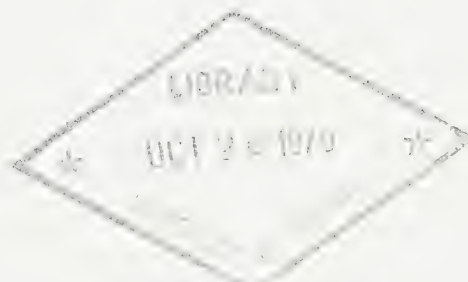
I believe that, right now, we -- and, by "we", I mean all of us -- are creating the framework within which such a comprehensive policy can develop. I believe too, not only that such a policy is necessary to the survival of Canadian television in the 1980s, but also that it will inaugurate an age of broadcasting better than anything Canadians have ever experienced before. I have, in short, a profound sense of optimism for the future.

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OPENING STATEMENT

MINISTER OF COMMUNICATIONS AND SECRETARY OF STATE
DAVID MACDONALD
TO THE
FEDERAL-PROVINCIAL MEETING OF MINISTERS
RESPONSIBLE FOR COMMUNICATIONS
TORONTO, ONTARIO
OCTOBER 16, 1979



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Although this is the first time that we, as a group, have met together, I do not feel a stranger among you. During the past two months, I have had the opportunity to meet with most of you individually, and have come to understand and appreciate the concerns and priorities for communications in each of our ten provinces.

Someone remarked to me that, of the faces that were around the table at the last federal-provincial meeting in Charlottetown, only four are here today -- a reflection, perhaps of the hazards of our particular occupation. Although many of the faces may be new, my own included, I sense that the concerns of Canadians who we represent are not. Indeed, many of the items that appear on the agenda for this conference are identical with those discussed at previous federal-provincial meetings of Ministers responsible for communications.

I am coming to this table with a considerable sense of urgency and a sense of the importance of this particular conference. Perhaps my time can best be used by focussing attention on what I hope we can achieve during our two days here.

When I review the history of federal-provincial communications conferences, it appears that these meetings, although productive in many ways, have failed in the past to make substantial progress on some of the real and pressing concerns facing this country in the field of communications. Yet these concerns, given the passage of time, are even more pressing now.

What, then, should we focus on which could realistically bring about concrete results and break an apparent logjam of progress?

The rush of new technologies will open up new possibilities if we act quickly and wisely but leaves us open to new dangers, particularly to our cultural sovereignty, if we don't. If we do not meet the challenges of new technologies and their cultural impact -- and meet them now -- we will, through

procrastination alone, cause serious damage to this country and to the opportunities for Canadians to express their cultural identities.

I would urge, therefore, that we focus our attention on solving some of our more pressing problems, exploring realistic agreements, either bilaterally or multilaterally, or through delegation, administrative arrangements or other mechanisms. Because of this pressing need to make progress in the short term, I am less inclined to spend our time and energy on constitutional or jurisdictional matters here. Let's be realistic. The process of constitutional change is unlikely to happen overnight. We are probably years away, as the co-chairman has pointed out in one of his papers, from agreement on a new constitution that includes the subject matter of communications and culture. Furthermore, negotiation on a new constitution is, in my opinion, probably more productively carried on within other forums which might have other priorities, such as conferences of first ministers, one of which will be held in Halifax later this month. Let us recognize that some progress is possible, is essential, in communications, now.

To help us search for ways in which we can reach some concrete results at this meeting, I have circulated to each of you a paper dealing with my government's new federal telecommunications legislation. This, as all of you I think agree, is critical to progress, for the amended draft Bill provides the mechanisms whereby delegation agreements and other federal-provincial arrangements might be implemented.

I consider this a priority piece of legislation and, as was mentioned in the Speech from the Throne, we intend to introduce it this Session. During my visits to the various provincial capitals, I noted that the provinces, generally, are satisfied with the draft Bill. As you know, the federal government is considering making certain amendments to the Bill as it was last presented in the House, to ensure an enhanced role for Parliament, the provinces and the Governor in Council, and I will be interested in hearing any further views you may have on any of the changes we propose.

There are other areas of concern which I hope we can address ourselves to here. Perhaps because of my responsibilities as both Secretary of State and Minister of Communications, I have become particularly sensitive to the close relationship that exists between communications and culture, between hardware and software, between distribution and production. And it is from this perspective that I feel that decisions with respect to communications must be made. A policy developed with respect to new satellite television distribution, for example, -- or pay TV -- can only be effective if it is linked to measures to stimulate the Canadian program production industries and to a policy to ensure that Canadians have access to good Canadian programming. Otherwise, we will continue to be faced in this country with an imbalance between our impressive ability to deliver communications services and an unrealized potential in program production capability. This imbalance has to be redressed, regardless of which level of government is responsible constitutionally.

Two recent developments dramatize the issue. Satellite delivery of TV programming to cable TV operations is now commonplace in the United States. The spillover of signals into Canada will make foreign programming even more widely accessible than in the past. In addition, pay TV, steadily growing in popularity in the United States, is creating a sense of urgency here in Canada, since procrastination in developing Canadian pay TV in accordance with our own sovereign interests and values may forever erode our chances of a system which conforms to domestic imperatives.

Clearly, these challenges are not confined to any one sector, nor to any one level of government. And this is why federal-provincial cooperation with the private sector is necessary in introducing a series of initiatives to meet these challenges and to strengthen Canadian television in the future.

As a first step in meeting this challenge, the federal government has prepared a discussion paper for this meeting with respect to items 6 and 7 of the agenda -- the review of satellite policy and pay television. The paper flows from two related and fundamental objectives: to extend broadcast services to inadequately served areas of the country, and to stimulate the growth of the domestic program production industry. If the need to develop policy is seen by all of us as urgent, as I believe it is, then the will to participate and cooperate will be there, as I believe it is. I should emphasize that the paper does not represent a firm position, but rather a focus for discussion, and I welcome your comments and suggestions.

The concerns I have mentioned represent my view of the priorities at this meeting. I look forward to hearing your concerns as well.

I want to emphasize that I consider federal-provincial cooperation to be critical as we proceed with the development of new policies and legislation in order to ensure that neither federal nor provincial objectives are hampered, to ensure that regional concerns are taken into consideration, and to ensure that the provinces contribute meaningfully to the development of new communications policies.

I feel that all of us around this table have the opportunity and the obligation to Canadians everywhere to help resolve some of the more pressing problems confronting Canadian communications, and to ensure the health of our cultural and communications industries. The legacy of the decisions we do or do not make, the agreements we do or do not reach, will profoundly affect the cultural and technological future of this country.

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PRISON TO PRISM: OPPORTUNITIES FOR CANADIAN
TELEVISION IN THE 1980s

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NOTES FOR AN ADDRESS

BY

THE HONOURABLE DAVID MACDONALD

MINISTER OF COMMUNICATIONS

AND SECRETARY OF STATE

TO THE

CANADIAN BROADCASTING LEAGUE

OTTAWA, ONTARIO

OCTOBER 25, 1979

CHECK AGAINST DELIVERY



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I felt it would be appropriate this morning to report to you -- and through you, to interested members of the Canadian public -- on where we presently stand on the development of a comprehensive policy for Canadian television. I will focus particularly on the state of provincial participation in this review which, as you are aware, saw real progress at last week's federal-provincial conference and is in accord with the priority assigned by our new government to renewed consultation and partnership within the Canadian federation.

The broadcasting field highlights better than most the folly of unilateral action where decisions can have profound implications for the priorities of all governments -- federal and provincial -- and the aspirations of all Canadians. One need only imagine a multitude of provincial pay-television systems competing with one another as well as the national system, bidding the price of foreign programming sky-high and diverting vital funding for our own production industry out of the country. Similarly, failure to co-operate in the satellite field would cause Canada to lag behind in the further development of satellite technology to meet education and other needs in remote areas. And if regional and local requirements are not adequately met by federal crown agencies in the film and television domain, it will increase the pressures on provincial governments to develop their own film industries in isolation from the rest of the country with disastrous results in terms of maximizing both our creative, technical and entrepreneurial talent and our potential markets at home and abroad.

As some of you may have gathered from reports out of last week's conference, it may prove to have been one of the most productive of these exercises. However, the achievement of consensus and partnership as a basis for action in broadcasting is neither simple nor automatic. My commitment to the process is founded on the conviction that any other course is doomed to failure. Our resources are too precious, stretched too thinly, given our international position, to believe otherwise. You and I share along with the vast majority of Canadians certain aspirations for our broadcasting system whose realization, if we are honest with ourselves, is at best a challenging proposition. Without

concerted action by federal and provincial governments, those challenges will be insurmountable. If the price of keeping alive our hopes for broadcasting -- as a unique, democratic, popular and, above all else, Canadian system of mass communication -- is to encourage greater provincial participation in the management of that system, then I can assure you that our government is not going to get hung up on jurisdictional wrangles while the country as a whole loses whatever ability we presently possess to influence its direction. I am pleased to report that more than a few of my provincial colleagues share that sense of urgency.

The proposals I made to the conference are founded on a perspective regarding Canadian broadcasting which, while certainly not original, does represent a departure from the traditional federal position. It is really a case of facing up to future realities and implications of the new distribution technologies which are rapidly moving us from a situation of scarcity -- in the radio frequencies available for signal transmission -- to an embarrassment of riches. The merging of technologies -- off-air reception, co-axial cable, fibre optics and satellites -- has created for the policy-maker, if you will excuse my ambiguity of feeling on this matter, a "nightmare of opportunity" -- "nightmare" if you consider our past inability to provide even the basic television dial with sufficient Canadian programming of real quality, realizing that all the new channels may serve only as conduits to flood our culture with more foreign material; "opportunity" if you appreciate the liberating promise that multiple channels hold for the present mass programming assembly line, where the shift from prison to prism could have a profound impact on the expression and reflection of Canadian diversity.

These changes require a new regulatory perspective. Careful husbanding of a scarce resource must give way to a new priority. Our overriding concern now must be to ensure that, amidst the increasing range of options available to the Canadian television viewer, there exists a significant and relevant Canadian

programming presence. The old debate about the role of public broadcasting in the Canadian system is now heightened by the more far-reaching question of what role does Canadian broadcasting in total have within the system. To seek to preserve the status quo or even to gradually increase Canadian content on our national networks is in reality an argument for a diminished Canadian presence as channels multiply. The traditional tools of state funding and content quotas are by themselves inadequate.

A significant and relevant Canadian presence for the future -- and here I am not even talking about "majority" or "predominantly Canadian" -- will require a major expenditure of will and resources. What I have said about the need for federal-provincial co-operation applies doubly to the co-ordinated application of available federal resources. To this end, I shall in the very near future be formally asking a range of federal departments and agencies to apply their expertise and resources to the basic objective I have enunciated to the provinces and in previous speeches, that of providing more and better Canadian programming to more Canadians.

I shall ask the CRTC to speed up its review of Canadian content regulations. The purpose of this review is not to do away with the responsibility of Canadian broadcasters for domestic content, but to overcome the obvious shortcomings of a system in which game shows, variety, public affairs and drama are treated indiscriminately. I shall also, although perhaps at a somewhat later date, be approaching the CRTC on the subject of the cable community channels. In the programming prism of the future, community television will be a vital facet in a system dominated on one hand by mass programming for national and international audiences, and on the other by two-way interactive television oriented to the individual.

The CFDC will be asked to bring forward for the government's consideration a television plan. In our developing production industry, the expertise accumulated by the CFDC in the feature film world could be of great value to television producers in the financing and marketing of their programs. I would not rule out, either, direct involvement by the corporation in script development, bridge financing or even equity investment.

The National Film Board will be asked to accelerate its regionalization program. An expanded Canadian production industry will require an increasing pool of technical and creative talent across the country which the NFB can and should be in the forefront of promoting. I would hope, equally, to see the NFB move beyond sharing its tradition of excellence with the film industry to encompass the population in general, to enable Canadians themselves to participate more fully in the community channels.

I accept the argument that changes must be made in our domestic satellite system to more realistically respond to the imperatives which we as a nation face. The new Telesat tariff structure filed with the CRTC last month is encouraging. Further examination of these rates by the CRTC will be the subject of a public hearing next March and will also be the subject of continued close scrutiny by myself.

The CBC is central to future developments in broadcasting. The publicly owned broadcasting service was the first to use Canada's microwave distribution system and was the first to use the domestic satellite system to beam its signals nationally. It has also played a leadership role in producing programming for radio and television and in developing the creative and technical talents of Canadians. Its innovative spirit has been commendable. Just as CBC has been a pioneer in Canadian programming in the past, so it could now play a catalytic role in the programming and technological frontiers of a broadcast system.

We will do our utmost to encourage and assist the CBC in evolving new and creative uses of its two primary television networks which presently reach more than 98 per cent of all Canadians.

The government will be requesting the CBC to bring forward in the near future its specific plans for greater regionalization of program authority and budgets, more private sector procurement, especially in the entertainment field and an expanded native northern television service.

On the latter point, I emphasize to all of you that in our concern for the preservation of a Canadian television presence we must not lose sight of the impact that white, southern programming has had on the fragile native cultures of the North and its social and economic implications. The CBC's northern radio service has been a model of what can be right about communications technology in its emphasis on local access and control, whereas in television there is one half hour a week of native language programming. I have asked my Department of Communications to get together with the Secretary of State, Indian and Northern Affairs, NFB and the CBC to urgently prepare a series of options, for discussion with northern native communities, to encourage the development of native expertise in television production and to put in place the hardware necessary for local access and regional distribution.

There are many existing federal programs with considerable potential to assist an expanding Canadian television production industry. Among departments of the federal government, I have taken the initiative with backing from Cabinet to create an inter-departmental committee at the level of senior officials on the cultural industries aimed at tailoring the economic activities of the government to better fit the needs of our private sector producers, whether in the area of taxation, aid to exports, guaranteed loans or industrial incentives. This is crucial to realizing our hopes for Canadian broadcasting, because

without a viable and internationally competitive private television sector, our ability to respond to the new distribution technologies is seriously crippled.

The series of measures outlined for federal action in the immediate future is designed to better co-ordinate and utilize our resources to make more and better Canadian programming available to more Canadians. Because of the magnitude of the task we face, they will not of themselves be sufficient to ensure a significant Canadian presence in the future broadcasting system.

There exists first of all the problem of the six million Canadians who have minimal or no television reception. With three American satellites jammed full of popular programming, I am not surprised at the rapid spread of illegal earth stations across the northern and remote parts of Canada. The implications for our cultural sovereignty are tremendous, however, and simply increasing or improving Canadian content on the urban systems of the south will do nothing to lessen the problem.

Second, there exists a problem of financing. There is a need for a major injection of new funds into our television production sector, now, if it is to be in any position to survive the programming deluge of the next decade. The United States, I should add, is already well ahead of us in this regard. The ability of the federal Treasury to respond to the need for new funding is definitely circumscribed, and while there may be some expansion of provincial assistance to television production, governments generally cannot be expected to adequately fill the looming gap. The private sector will be vital to the development of a mature television industry.

I have therefore sought provincial co-operation for a process of public consultation aimed at taking action within the year on both of these major outstanding problems. Based on a set of guidelines and principles, which will be finalized within a month, in consultation with provincial governments, it is our intention to ask the CRTC to initiate a two-stage hearing process on the

questions of satellite delivery of TV programming and the implementation of a national pay TV system for Canada. The overriding objectives in the case of pay TV, I should add, will be to provide the maximum new financing for and viewer access to Canadian television programming. The federal Department of Communications will release in the near future the statistical work it is compiling on possible pay TV models, not to prejudge the decision in any way, but to contribute to the public debate.

The first CRTC hearing is intended to bring into the public domain the types of plans which Canadian entrepreneurs, both public and private, are prepared to introduce in line with the framework developed in consultation with federal and provincial governments. It will serve equally to identify public concerns over both satellite delivery and pay TV. The subsequent CRTC report to the government will be the subject of further inter-governmental consultation, at which time I expect some form of quite specific agreement on the acceptable form of these new systems in the public interest. The second CRTC hearing will be called on the basis of this agreement for the purpose of actual licensing, if there are no serious obstacles, in less than a year.

One other area where we have made definite progress with the provinces is in the field of cable distribution. Work will soon be underway at the level of officials in preparation for passage of the new federal Telecommunications Act permitting selective delegation of federal authority to the provinces. This is a long overdue move where local priorities and needs have been ministered to by a distant and not always responsive central authority. While I cannot at this time predict the ultimate form of this delegation, since it may vary according to province, we will be seeking agreement that minimizes administrative and regulatory duplication and maintains a strong federal voice in the evolution of Canadian programming. I am heartened to report, as well, that provincial ministers were not preoccupied with the hardware side of their responsibilities to the exclusion of cultural concerns. The discussions reflected a growing sense

of urgency about the ultimate impact of these technologies on Canadian life which augurs well for future active co-operation in the broadcasting field.

And indeed, we have barely begun the process of adapting and harnessing the technological "nightmare of opportunity" to Canadian ends. The measures I have focussed upon this morning are all immediate initiatives. We need as a nation to evolve a comprehensive policy for broadcasting for the decades ahead that reflects the cultural, social and economic aspirations of the country. Technology may always remain one jump ahead of the policy-maker, but surely we need not accept as inevitable the tremendous gap that now exists between what our communications systems can physically deliver compared to what we can actually produce.

The ground rules that I would set for development of a comprehensive policy for Canadian television are quite simple -- that it be open, participatory and directed toward the public rather than private interest. Passage of the new telecommunication bill in this session will help to start this process, by opening policy making to greater public, provincial and parliamentary input. By 1982, I would hope that sufficient debate and consensus among Canadians will have emerged to guide the government in tabling a new Broadcasting Act which will set forth our national objectives for the system and the roles therein of the CBC, CRTC, private broadcasters, and so forth.

I believe the parliamentary enquiry into culture announced in the Speech from the Throne will provide a valuable focus for public consideration of broadcasting in the context of the broad cultural priorities we seek to establish. The enquiry will, I expect, get underway next spring following public release of an opening statement or blue paper on culture by the government. The total process we wish to follow in our review of broadcasting is still an open question for us -- how we decide to review is in fact no less significant than the end results of the process. Certainly we will wish to pay particular attention to those agencies such as the CBC for which the federal government carries special responsibility, but I am not yet satisfied as to the

nature and timing of this exercise. Perhaps some of you here have given some thought to the matter which you would be willing to share with us.

I hope, in fact, to benefit from the views of the Canadian Broadcasting League, not only this morning, but for a long time to come. I can only encourage its active participation in the development of policies for public broadcasting in Canada.

I would like, in closing, to pay special tribute to the Canadian Broadcasting League, which next year celebrates its 50th anniversary. That our country has a public broadcasting system at all is largely attributable to the efforts of Mr. Spry, Alan Plaunt and the founders of the Canadian Radio League. In the twenties and thirties, they worked tirelessly in promoting its cause. They saw the need for a public broadcasting system in Canada for two reasons: First, private enterprise was unable or reluctant to take the business risks in extending a broadcasting system across a vast country with a small population and second, they perceived threats to a burgeoning sense of nationhood from the United States which had radio transmitters more powerful and numerous than those in Canada and whose signals were within reach of most of our people. The Canadian Radio League's major brief to the Special Committee on Radio Broadcasting in 1932 during the government of Prime Minister R.B. Bennett helped to forge the unanimous parliamentary acceptance of the principle of a strong, publicly owned, nation-wide system, a principle which underlies our system to this day. The establishment of the Canadian Radio Broadcasting Commission, which later became the Canadian Broadcasting Corporation was an attempt by the federal government to ensure that Canadians had their own broadcasting system.

The views put forward by the League over the years have not been motivated by personal gain but by concern for the public interest. Its achievements are all the more amazing by reason of the limited staff and even more limited funds with which the League has operated.

While lack of resources may have hampered the CBL at times, its status is secure. In a recent case before the Federal Court of Appeal, the court noted that "...the CBL has been established for close to 50 years with a well-identified role during this period as an organized contributor to public policy formulation in broadcasting." The League has been recognized to have a well established role as a "public interest advocate". With your assistance, the measures that our government adopts in the months and years ahead will reflect the Canadian interest to such a degree that even Graham Spry might be tempted to consider retirement ... or at least a new career.

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STATEMENT BY
MINISTER OF COMMUNICATIONS AND SECRETARY OF STATE
DAVID MACDONALD
TO THE
STANDING COMMITTEE
ON BROADCASTING, FILM AND
ASSISTANCE TO THE ARTS

NOVEMBER 29, 1979.



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I welcome this opportunity to appear before the House of Commons Standing Committee on Broadcasting, Films and Assistance to the Arts, not only because the exercise of examining Department of Communications spending is an important one, but also because it gives me the chance to outline for you some of my interests and priorities in the sector.

The whole field of communications has been a sleeping giant. New and rapid technological developments and breakthroughs occurring during the past decade are giving rise to a host of new products and services which now are being introduced or are poised for introduction. Their effects, though difficult to predict, will be profound.

The Information Revolution

Much of my concern in the area of communications centres around the introduction, use and implications of these new and rapidly developing communications technologies. These are already having an impact, not only on our economy, but on individual Canadians as well. Most of us have heard these concerns before -- that the merging of new technologies -- satellites, fibre optics, pay TV, interactive TV like Telidon, computer communications -- is going to change our lives dramatically in the next few years.

Two parallel developments are spearheading these changes -- those in computer communications and those in microelectronics. Recently, there have been dramatic decreases in the cost and size of computers. And more recently, developments in silicon chip technology have been extending the range of electronic computing to a myriad of applications in industry, communications, data processing, office equipment and consumer goods and services. Suddenly computers, already essential to the proper functioning of governments, commerce

and industry, are within the reach of almost everyone.

Traditional capital and labour used in the production of goods and services are being increasingly replaced by information capital, information workers and information itself.

The emergence of the new information technology and its spread throughout society are causing fundamental changes in the economy, and in society itself. A new phrase has joined our lexicon - the "information revolution". Old ways of doing things are being discarded. The dislocations within the Swiss watchmaking industry as a result of the electronic watch and the world-wide upheaval in the printing trades are but two concrete examples of the potential disruptive effects of the new information technology. New industries which produce and make use of the new technologies are growing rapidly. Indirect structural effects are being brought about through shifts in international competitive strengths as a result of different rates of adoption of the technology in different countries.

The social and economic impacts of the information revolution could be as profound as those of the industrial revolution. This has already been recognized in most industrialized countries, as has the need to adopt a comprehensive policy approach in order to deal effectively with the widespread changes which are expected to result from the implementation of the new information technology.

One of the central concerns rising from these technological changes goes right to the heart of the cultural, economic and political sovereignty of nations. Information pertaining to a nation and its individuals, its industry and commerce, can now easily be assimilated, stored and processed by computers on foreign soil, and hence, becomes subject to foreign laws and value systems. This is already occurring. An increasing amount of business information is now

being sent south for processing and storage, beyond the reach of Canadian laws, policies or priorities. The southward flow of data has another consequence as well. Jobs in the computer and data processing industries which could be going to Canadians, are being lost. Without adequate measures, the consequences of this phenomenon could prove serious. In the circumstances, my officials and I are developing policies to deal with the problem in a manner that will be satisfactory to all, and that will not diminish the benefits of trans-border data flow.

I am encouraged by the fact that the issues are beginning to be repeated and understood here in Canada for I cannot think of a worse situation than that these developments creep up on a nation unaware.

It is difficult to develop and propose measures to meet the challenges of the information revolution if politicians, decision-makers and the public are not aware of the implications. One of my priorities, therefore, is to find the appropriate vehicles to generate greater public awareness of the issues.

It is against this background that I appear before you today. The Department of Communications is at the eye of this information storm.

The challenge in responding to this technological revolution is to ensure a balanced development of hardware and software, a balanced increase in productivity and a humane approach to the dislocations it could produce. It will be vitally important to maintain and strengthen Canada's position of leadership in the research, development and manufacture of telecommunications equipment. It will be equally important to be fully aware of the impact which these technologies will have on our cultural life -- in the broadest sense -- and to make sure that programming develops apace. It is my firm conviction that these two concerns cannot and should not be separated.

Cultural Policy Review

As members of this committee will know, I recently appointed an advisory committee on cultural policy to provide a major source of independent advice in the context of an arts and culture policy review now under way in the Secretary of State Department. The work of the committee will join with advice from federal cultural agencies, provinces and other sources in order to develop a Blue Paper on arts and culture that will be considered by a Joint Parliamentary Committee by late next spring. This Parliamentary inquiry will consider possible directions and options for arts and culture policy in the 1980s. It is hoped that the Joint Parliamentary Committee will report in the next session of Parliament.

One of the main purposes of the Advisory Committee was to open up the thinking process to ensure that the discussion paper reflects the needs of the arts and culture community. The reason I'm including reference to it here is to emphasize again the importance of considering the implications to our cultural future of the technological changes now taking place, and the need to coordinate this effort with the work of the Department of Communications, particularly in the development of broadcast policy.

In this connection, I am often asked whether there are plans to merge the operations of the Department of Secretary of State and the Department of Communications. There are none. Having said that, there is no question that we need much closer collaboration, coordination and cooperation to fulfill our communications and cultural objectives. However, to spend time on plans for merging or extensive restructuring would be in my view unproductive. What is required, however, particularly as we develop policies to meet the challenges of the information revolution and broadcasting in the 1980s, is this coordination and cooperation in considering both the technological and cultural aspects of what we are doing, and this requirement will impact on both departments.

A Comprehensive Policy for Television

As an example of our approach to these twin concerns, the Department of Communications, in line with its mandate, is proceeding with the development of a comprehensive policy for television in the 1980s, a policy which would take full advantage of new technology, such as satellites to distribute a variety of program fare and to introduce Pay TV to Canada.

Our major sub-objectives are:

- the promotion of Canada's capability to maintain and improve its position as a world leader in telecommunications;
- the extension of telecommunication and broadcast service to inadequately served areas of the country;
- the creation of an environment for growth within Canada's program production industry, so that it will be able to respond to the tremendous demand for software which the new telecommunications technologies will unleash. As well as creating exciting opportunities for Canadians to produce entertainment programming, technological developments now coming on stream will enable Canadians to produce a range of new information services such as electronic newspapers and magazines, information retrieval and teaching systems, financial reporting services and many others.

Until very recently, the major debates over Canadian broadcasting have been couched in terms unsuited to the distribution technologies of the 70's and 80's. Indeed, previous legislation governing broadcasting, culminating in the Broadcasting Act in effect since 1968, have all been primarily designed to govern the use by broadcasting undertakings of a scarce publicly-owned natural resource, the radio frequency spectrum. Technological developments, however, are eroding the concept of off-air broadcasting, due to the greatly expanded

carriage and coverage capacity of new technologies. This is true of cable and fixed satellites at present, and will be increasingly applicable in the future with the emergence of direct broadcast satellites and fibre optics.

These technological developments also effectively remove the constraints which have traditionally limited access to the system by both viewers and programmers, and offer innumerable possibilities for the nation-wide distribution of varied and comprehensive programming.

One of the major problems permeating Canadian television is the serious gap between the distribution capability of our telecommunications systems (including satellites) and the availability of programming from domestic producers. Canada has created one of the most sophisticated delivery systems for television programs in the world, while its program production capability remains greatly underdeveloped in comparison. This problem is compounded by the recent proliferation of the delivery of television programming in the United States by satellite, and the technical availability of these signals throughout most of Canada. Thus, while there is an acute shortage of domestic television productions, present-day technology potentially permits access to an abundance of foreign programming, in addition to what is already being distributed to over half of Canadian households via cable.

There is a clear need, therefore, to accentuate the development of additional Canadian television productions of a quality that will permit Canadian broadcasting to exploit the new technologies and thus gain an assured place in the vast array of television services made available to the Canadian population. The increase will not only apply to entertainment programming, but to informational, instructional and educational material as well. Such an endeavour is the first step in recognizing that provisions must be made to enhance the Canadian broadcasting system and to safeguard the cultural sovereignty of Canada.

I want to emphasize that in our concern for the preservation of a Canadian television presence we must not lose sight of the impact that white, southern programming has had on the fragile native cultures of the North. As a result, I have asked my Department of Communications to get together with the Secretary of State, Indian and Northern Affairs, NFB, the CRTC and the CBC to urgently prepare a series of options, for discussion with northern native organizations to encourage the development of native expertise in television production and to put in place the hardware necessary for local access and regional distribution. The first meeting of this interdepartmental committee was held this week.

As a result of my first conference last month with my provincial counterparts, I expect that there will be extensive and valuable provincial input to the process of developing a comprehensive policy for television in the 1980s.

Since that meeting, officials have drafted a set of federal-provincial guidelines and objectives for satellite distribution of TV and for the introduction of Pay TV in Canada. This week, I passed along these guidelines to the Canadian Radio Television and Telecommunications Commission, which is conducting a two-phased approach leading to the development of satellite delivery of TV and Pay TV. In the first phase the CRTC would call for proposals or "submissions of intent" from industry and invite public comment on the various issues. The CRTC would then issue a public report analyzing the results. There will be substantial provincial input into this process. In the second phase, the CRTC would call for licence applications.

Federal-Provincial Cooperation

In this important area, as with others, I am placing emphasis on the desirability and need for federal-provincial cooperation in the field of communications. As I said at the October federal-provincial meeting of communications ministers:

"Clearly, these challenges are not confined to any one sector, nor to any one level of government. And this is why federal-provincial cooperation with the private sector is necessary in introducing a series of initiatives to meet these challenges and to strengthen Canadian television in the future.

I want to emphasize that I consider federal-provincial cooperation to be critical as we proceed with the development of new policies and legislation in order to ensure that neither federal nor provincial objectives are hampered, to ensure that regional concerns are taken into consideration, and to ensure that the provinces contribute meaningfully to the development of new communications policies."

In the perspective of the history of federal-provincial meetings of communications ministers, I consider this recent meeting to be most productive, not only in terms of specific agreements, but in terms of the willingness of the other ministers to find and push for areas of cooperation. As a result, we agreed on a number of items, in addition to developing common guidelines and objectives for satellite TV distribution and Pay TV. For example, we agreed to establish a working group of officials to examine and report on Canada's capability in key technological areas such as space, fibre optics, micro-electronics and interactive services. Given the significance of these factors in the looming information revolution, I am delighted at federal-provincial cooperation in looking for ways to seize opportunities and minimize disruption.

We agreed as well to establish a working group on competition and industry structure in the telecommunications sector. The group is examining and developing proposals for our consideration on such areas as the question of the boundary between monopoly and competitive service, interjurisdictional impacts, a definition of a package of basic telecommunications services, and vertical integration in the telecommunications industry. The working group will also examine the impacts of the Bell Canada - CN/CP Telecommunications interconnection decision.

In addition, we agreed at the conference to mutually explore and, through another working group of officials representing interested provinces, to develop specific proposals regarding means of delegating authority over aspects of cable distribution systems to the provinces, following passage of federal telecommunications legislation, in a manner that satisfies federal, provincial and industry concerns.

Federal Telecommunications Legislation

At the same time, a new telecommunications bill, incorporating some significant amendments to that which died on the order paper last year, will be tabled within a few weeks. Many of these changes are in response to suggestions made to me personally by provincial ministers of communications, industry leaders and members of the public. I look forward to its speedy passage, since it provides for some badly-needed changes, particularly with respect to the role of Parliament, the Governor-in-Council and the provinces in the regulation of telecommunications in the country.

Some of the amendments are specifically designed to ensure greater provincial and regional influence in the conduct of telecommunications regulation in Canada. For example, one feature of the new bill will require consultation with the provinces before appointments are made to the CRTC by the Governor-in-Council, and it will be clearly indicated in the bill itself that the composition of the CRTC would have to reflect the various regions and cultures of Canada. I, and I think my provincial colleagues agree that this amendment is particularly important, given the effect that decisions in the field of telecommunications have on the cultural lives of our people. Another change in the bill would require consultations between the federal Minister and the provincial governments as well as between the CRTC and the provincial

regulatory agencies. Here, we recognize the need for federal regulation to more closely reflect not only changing technology but the expectations of the provinces as well.

A particularly significant amendment to the bill would give Parliament the power to revoke any direction issued by the Governor-in-Council to the CRTC by means, for example, of a negative resolution of one or both Houses. In practical terms, this would probably operate through a Parliamentary committee which could examine issues as required and receive comments from industry and other interested parties.

Consultation

In developing policies and setting priorities, we intend to seek the advice and cooperation of people outside the federal government as well as within. As you may know, this is a well-established practice in the Department of Communications. For several years now, the Communications Research Advisory Board, which is composed of distinguished individuals from the private sector, universities and provincial governments, has reviewed the Department's research program. Last year, my predecessor appointed an independent consultative committee, chaired by the Hon. J.V. Clyne, to explore a broad range of policy issues. Incidentally, the Clyne report, a priced publication, is already in its second printing, an indication of a growing interest in the issues. These efforts were augmented this year by the creation of a consultative committee to advise on videotex, one of the key communications technologies of the future. Many of the proposals of the Clyne Committee have already been acted upon such as its recommendation to amend some aspects of the telecommunications bill, and its call for government support in developing interactive TV technology. And several of the subjects that the Science Council of Canada suggested be explored by the videotex consultative committee are underway.

Major Departmental Programs

I would like to outline briefly some of the major activities and initiatives my department has been undertaking over the past few months and which are reflected in the spending estimates for the Department of Communications.

Telidon

One of the high-profile areas of departmental activity is the development of Telidon, first demonstrated by the department's research centre in August 1978. Telidon represents a significant technical advance in the development of two-way videotex technology, whereby a user, by pressing a few buttons, can use his TV set to access data banks and receive instantly all sorts of information, whether graphics, pictures or text. In fact Telidon is the most advanced system of this kind in the world. It has stirred a great deal of excitement in the general and trade media, in Canada and abroad. The Telidon demonstration booth was one of the hits of the show at Telecom '79, a world-wide trade mart held in Geneva this fall in connection with the World Administrative Radio Conference meeting being held there.

As soon as Telidon was developed, the department moved it out of the lab and into the hands of industry. As a result of the speed with which this was done, the technology is being further refined and developed by the industrial sector in a series of field trials with private and provincial telecommunications carriers, broadcasters, and cable operators, all in cooperation with a wide range of information providers. The federal government is not only supporting the refinement of the technology but is providing substantial financial and technical support to those private enterprise concerns which have agreed to conduct field trials. As a result, the first Telidon field trial conducted by TV Ontario is scheduled to get underway next month. Bell Canada,

also with federal government support, is planning a major 1,000 terminal trial in Toronto and Montreal. Many others are being planned and proposed, as the technology moves from laboratory curiosity to commercial service. Telidon is a graphic example of one of the many new or merging communications technologies and its potential impact is still unknown. The department has accordingly embarked on a program to study the socio-economic and cultural implications of its introduction.

Direct Satellite-To-Home Broadcasting

We are a world leader in another area as well. Earlier this fall, Canada became the first nation, to our knowledge, to begin a program of direct satellite-to-home television broadcasting. The department is using Telesat Canada's Anik B satellite and the new generation of small, cheaper earth stations that even individuals can use, mounted on their rooftops, to receive TV. The initial program involves the transmission of TV Ontario signals mainly to remote areas in Northern Ontario, and the department is planning a second direct-satellite-to-home trial in British Columbia. The department is also using Anik B for a number of other experimental programs in the field of telemedicine, education and community interaction.

And, in speaking briefly about our space program I want to add here a personal note. All will agree that Canada's leadership in space is a direct result of the work and energy of Dr. John Chapman, the Assistant Deputy Minister in charge of space programs at DOC who died last September. His untimely passing was a very great loss to the department and indeed, to the public leadership in the technological development of the country.

Fibre Optics

This fall, the federal government signed a contract with the Canadian

Telecommunications Carriers Association for a \$6.1 million field trial of fibre optics technology in the area surrounding the town of Elie in rural Manitoba. Canada is already at the leading edge of developments in fibre optics and this program represents the world's first to test fibre optics in a rural environment. It's success could mean that Canadians living in rural and remote areas will eventually be able to enjoy a range of telecommunications services fully comparable to those of their urban compatriots.

Operations

One of the traditional and valuable roles of the Department of Communications has been and continues to be to provide service to the communicating public. It does so through the management of the radio spectrum, a resource which is becoming increasingly scarce as more and more people use the airwaves for a myriad of purposes. Important aspects of this involve the equitable allocation of frequencies for various communications uses, and the development of standards for transmitting equipment. Through its network of five regional offices and district offices located across Canada, the department provides such services as the issuance of radio licences and operator certificates, the investigation and resolution of cases of interference to radio and TV reception and the encouragement of good radio operating procedures and practices.

Sex Stereotyping in the Media

In another area, I have as you know, requested the Canadian Radio Television and Telecommunications Commission to adopt an action-oriented plan to deal with sex stereotyping in the media.

Sex stereotyping in the media is a serious and complex issue. The negative images of women which pervade our media have a subtle (but very real) effect on young children and their views of the roles of males and females in society.

Women are not being portrayed as the intelligent and capable people that they are and the limited stereotypes serve to limit the goals and aspirations of young women, and serve to perpetuate the kind of attitudes which prevent women from achieving equality in the work force. Sex role stereotyping is a major factor in the economic dependence of women today, and women will not achieve equality until it is eliminated.

As a result, the CRTC has established a task force to develop guidelines and to encourage the elimination of sex role stereotyping in the broadcast media. Representatives from the advertising industry, broadcasting industry, women's groups and the Advisory Council on the Status of Women are participating. Its purpose will be to delineate guidelines for a more positive (and realistic) portrayal of women in radio and television (in both programming and commercials) and to make policy recommendations for consideration by the broadcasting industry.

Other Programs

The Department of Communications is active in a number of other areas including the management of the radio frequency spectrum, research and development of various other technologies, and a number of space programs. I think the members of the Committee should be aware that there are important international implications in the activities of the department. Spectrum allocation, for instance, is a global problem as well as a national one and departmental officials are representing Canada at the World Administrative Radio Conference (WARC) which is concluding its 10-week meeting in Geneva this fall, to plan allocations for the decades ahead.

The International Link

Our world leading positions in space and videotex technology have drawn the

interest of other countries. The Department recently demonstrated the capabilities of the Hermes satellite and Telidon in Australia, and a videotex agreement was signed with France last month. In addition, the Department has on numerous occasions assisted the efforts of the private sector in attempting to penetrate foreign markets. Recently, there have been a series of discussions between Ottawa and Peking with a view to reaching an agreement to exchange personnel and information in the area of research and space programs.

I need hardly underline the beneficial effects which all these activities can have on our balance of payments situation, if they result in contracts and sales. There are literally billions of dollars being spent on telecommunications equipment in the world today, with more to come.

There is, of course, another side to this international involvement. No country can isolate itself from the effects of modern communications technologies and, in Canada, because we live next door to the world's largest exporter of information hardware and software, these effects are bound to be particularly strongly felt. I am confident that, through informal mechanisms, many of the U.S.-Canada communication issues are moving closer toward some mutually satisfactory solutions.

More generally, the events at WARC have shown that there appears to be a fundamental divergence of interests between the "haves" and the "have nots" in the world with respect to communications just as there is with respect to other resources. We will be hearing a lot more in the future about these international questions -- transborder data flows, access to geostationary orbits and the like.

The purpose of this paper has been to provide members of the committee with an overview of the issues and concerns we are facing in the field of communications and, through outlining our major program and policy initiatives,

to give an indication of how the federal government through the Department of Communications is trying to assist Canada in understanding the scope of the information revolution that is now upon us, and in developing a comprehensive policy response. Such an effort will require coordination not only among many responsibility centres within the federal government, but cooperation with the provinces, industry and other sectors as well. Thank you, Mr. Chairman.

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NOTES FOR AN ADDRESS BY THE HONOURABLE DAVID MACDONALD,
MINISTER OF COMMUNICATIONS
AND
SECRETARY OF STATE,
DELIVERED BY SCOTT FENNELL, M.P.,
PARLIAMENTARY SECRETARY (COMMUNICATIONS) TO THE MINISTER,

TO A NATIONAL SYMPOSIUM ON
COMMUNICATIONS LAW AND POLICY,

OTTAWA, JANUARY 25, 1980



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I'm delighted to be here on behalf of Mr. MacDonald, to share in and hopefully make a useful contribution to this extremely timely gathering. The Law Society of Upper Canada, the Canadian Bar Association and the University of Ottawa are to be commended for bringing together so many key players in the communications field in Canada at such a critical juncture.

We seem to be at the very boundary between the era of the second of history's major "revolutions" -- that which began with steam and crude machines two hundred years ago -- and a third, the so-called "information revolution" which, on the evidence before us, looks as if its effects upon mankind could be at least as far-reaching and profound. The communications industry, intimately affecting our economy, culture, social and political life, is in the eye of a breaking storm. Lawyers have a heavy share of responsibility in determining how successfully we adapt to the new realities of this situation. You have been grappling here with some very pressing needs for changing and updating our traditional legislative, regulatory and other legal frameworks.

In recent weeks, we have seen pundits analyzing the seventies and attempting prophecies of what we should expect of the 1980s. On the ample evidence of its first 25 days, this new decade seems all too likely to be a bit unsettling -- with an acceleration of economic, social and technological change on many fronts. But, as is so often the case, danger and imposed change come hand-in-hand with challenges to our ingenuity, our will and our imaginations.

We Canadians have opportunities to emerge as winners in the new world order of the 1980s, provided we are prepared to identify and face up to what must be done to accomplish this. We will need fortitude to carry on with the necessary action, in trying times, when introspection and mere words will no longer suffice.

Nowhere is there a greater potential reward for successfully meeting these challenges than in the communications and electronics fields: The seventies have just brought us the advent and first practical demonstrations of startling

new technologies and trends only foretold in previous decades: Fibre-optic systems, direct satellite broadcasting, two-way television and the microelectronic revolution, with its results -- miniaturization, staggering increases in memory capacity and computing power, cost shrinkages and a cascade of new consumer products like the low-priced pocket calculator, electronic watch and the budget-priced personal computer. The power of the computer is reaching the common man, first in places like the supermarket and on the computer-automated assembly line; and now into the home.

The implications of this extend far further afield than simply presenting us with a shiny array of new electronic products. It is their applications -- their interconnection, their power to extend and lever the powers of man's mind the way gears and steam levered his muscles in the industrial revolution -- that are leading us towards dramatic social and economic change. No sector will be left untouched: Offices, factories, businesses, universities, governments, our homes -- all will be altered by the looming information economy. The technologies won't wait for us to decide how to cope. Either we decide very soon, or it will be decided for us, in a hodge-podge of change not likely to benefit very many Canadians.

We must cooperate among ourselves to harness this technological revolution, or become its victims. If we fail, other cultures and other nations' hardware, priorities and ideas may swamp us.

Britain, France, Japan, the United States and others are moving to prepare their societies, and give their industries an edge in exploiting micro-electronic technologies. They are plowing huge sums into their development, exploitation and export.

Instead of Canada's traditional business competitors -- and, indeed, different levels of government -- eyeing each other with suspicion, how about broader recognition of the potential fruits of working together, at all levels,

to expand benefits for everyone? We have a traditional -- and ongoing -- record of excellence and leadership in telecommunications. Our telephone, microwave, packet switching, broadcasting, cable TV and other systems, standards and services are the envy of the world. We lead our competitors in many of the newer technologies. We have the world's most advanced videotex system, Telidon, developed by the Department of Communications' own laboratories and very soon to be undergoing several varied types of field trials. Telidon allows an individual with nothing but an ordinary television set, a simple keypad or keyboard like a typewriter and a small, inexpensive box of electronics to retrieve information or colour graphics from computer data banks located anywhere. One can also use Telidon to communicate with similar terminals, or perform complex information-processing tasks.

Canada pioneered the direct-to-home satellite TV concept and we're making it happen today. On a trial basis, Canadians in the Yukon, Northwest Territories, British Columbia and Northwestern Ontario are right now pulling in TV programming direct from a Canadian satellite, using made-in-Canada dish antennas.

No one should doubt for a minute that we are blessed with the basic human, technological and other resources needed to capitalize on the promise of the information age.

We could realize gains in our own gross national product through carefully-coordinated policies to exploit the new wealth-creating potential of an increasingly information-oriented economy. But we must also keep working to expand our sales of electronics and communications hardware and expertise in an increasingly competitive world marketplace.

And in a country as vast as Canada, as dependent as we have been on energy, we are fortunate to have such potential to complement policies moving us towards energy self-sufficiency, through substitution of energy-efficient and

more widely-accessible communications links for travel. In the United States, the American Telephone and Telegraph Company accounts for but one-tenth of one per cent of total U.S. energy consumption, while contributing something like two per cent of the country's current GNP.

In Canada, it should be the role of government to foster the conditions which will allow individual and corporate creativity to take the fullest possible advantage of all these opportunities. Forceful action and a coordinated approach will be required.

In this connection, it remains the government's hope to see an early introduction in the next Parliament of a new Telecommunications Bill, which will rationalize and modernize existing federal communications law, reflect provincial and regional concerns and provide a good policy framework for dealing with many of the vital issues of the 80s.

As you know, we propose some changes to the bill which was tabled in the House by the minister's predecessor. We have discussed these changes with our colleagues in the provinces and with industry and are still open to suggestions for further changes.

A paramount concern is that elected representatives must be ultimately accountable for the setting, alteration or interpretation of telecommunications policies for Canada. Hence, we propose to give Parliament power to revoke any direction issued by Cabinet to the CRTC -- for example, by means of a negative resolution of one or both houses.

The present version of the bill also includes provisions that the Governor-in-Council no longer have the power to vary, suspend or set aside CRTC decisions, but that he retain the power to refer back decisions for further consideration by the commission; that a number of provisions of that part of the

bill dealing specifically with carriers also apply to cable undertakings, when they are providing new telecommunications services or facilities; that all members, either full-time or part-time, of the CRTC be appointed after consultation with the Provinces; that the composition of the Commission reflect the various regions and cultures of Canada; and that there should be consultations between the Minister and the Governments of the Provinces as well as between the Commission and the provincial regulatory agencies.

This need for a coordinated approach to the information revolution applies not only to legislation but to the more fundamental need to recognise the relationships and interdependence of hardware and software questions.

And so, another prime objective should continue to be creation of a comprehensive policy for Canadian television in the 1980s and the relation of that policy to still broader cultural concerns. We want to see more good, popular and varied Canadian programming available. To accomplish this, specific incentives must be provided to enable the growth of our domestic program production industry. But, while we are working to fill new channels with Canadian choices, we also have a job to do in extending basic broadcasting in this country and resolving the question of pay-TV.

One of the first things that struck us when we assumed power was the tremendous gap that existed between our technological delivery capabilities and what we were actually accomplishing to put our satellites to work for people. We lead the world in the technology of broadcasting applications of the communications satellite -- yet some three million Canadians still have to put up with limited choice, substandard reception or no television at all. With this nation being bombarded by some 25 U.S. TV satellite signals, it's little wonder a host of unauthorized ground stations to pluck these signals out of the air have sprung up throughout our northern and other remote regions. There can be little excuse for not finding the practical means to make more and better

Canadian programming available to such communities from Canadian satellites.

The CRTC is proceeding this spring with submission-of-intent hearings on extension of service, satellite distribution and Pay-TV. This, as you may know, will be the first part of a two-phased process which will hopefully see the first Pay-TV licences issued within the year, consistent with agreed guidelines and objectives. Revenues from Pay-TV can put our untapped creative resources to work and fill many of our new channels with Canadian programming as good as the world's best.

In pay-TV and the other areas of opportunity in communications, it is obvious that no single policy, institution or new regulatory structure can satisfy all the players now jockeying for position on the merry-go-round of technological change and regulatory and policy imperatives.

Given this, our task is to come up quickly with the appropriate frameworks to respond to our most pressing collective needs. The federal government must continue to opt for the most equitable and economical arrangements, systems and services and not necessarily those which maximize profit for any existing interests. For their part, with billions of dollars of new plant investment hanging in the balance, the big players in the game want early clarification of the new ground rules.

Because of the pace of change, extreme technology-sensitivity of the industry, and the uncertainties of today's world economic climate, we will have to build flexibility into our new structures. We should therefore think in terms of guiding principles and over-riding concerns which must underlie decisions we reach.

A few of these strike me as particularly fundamental: First, there is the need for an informed citizenry, since public awareness will lead to constructive debate about the issues. We have to keep the focus on people. The impact of galloping change on living patterns and the labor market may be considerable and can never be overlooked.

The need to take account of regional and provincial interests without sacrificing national goals or priorities is another concern. It can certainly be done. We are confident of this, following meetings last year with our provincial government colleagues.

There must be a continuing close consultation between government and industry. Recent recommendations of both the Lambert Commission and the Economic Council of Canada indicate we should dismantle as many constraints on the private sector as possible. Unnecessary regulatory delays and uncertainties should not be allowed to discourage innovation, nor frustrate efforts by entrepreneurs to enter new markets and offer new services, through fears that, by the time regulatory proceedings end, products or services proposed will be all but obsolete. This concern is particularly vital in the light of the world-wide technological race that sees one country's hesitation as another's opportunity.

Regulation will always be necessary for the achievement and safeguarding of national objectives and priorities. But it should be a simple, clearly understood process -- limited to what is absolutely necessary to achieve statutory objectives and solve practical problems.

We in Canada are often so preoccupied with these domestic problems of ours that we forget what is happening in Canada in the communications field is part of a world-wide process. It is, of course, impossible to escape the fact that our relationship with the United States will continue to be the most complex and sophisticated communications relationship in the world. But on an even wider

scale, the information revolution and what is now being referred to as the "new international information and communications order" are putting into play a number of new, inter-related issues with important domestic implications. In the years ahead, the whole international system, and the roles that individual countries play within that system, will be seeking a new equilibrium.

One encouraging sign is that the general World Administrative Radio Conference, which concluded recently in Geneva, was able to agree upon a new international frequency allocation table and revised international regulations for coordinating the use of the radio frequency spectrum. The conference satisfied the reasonable concerns of both developing and developed countries. But this was only one conference in what will be a series of multilateral and bilateral developments which will influence how Canadian communications interests fare in the wider world.

We are pleased that the Canadian members of the International Institute of Communications, to which many of you belong, will host the institute's annual conference here in Ottawa next September 7 to 11. This will provide a unique opportunity for all of us to take stock of the interplay between domestic and international concerns, and to give a distinguished international audience an appreciation of Canadian communications accomplishments.

One area of special interest to me is how we -- and the world -- deal with the information flows, foreign storage of data, legitimate access to it and the attendant intellectual property and privacy rights of individuals.

The government is particularly concerned by the implications of the assimilation, storage, and processing of vital information about Canada, our commerce and people in and by computers operating on foreign soil. Such information is subject to foreign laws and value systems. As a result, so much

that is vital to Canadians goes beyond the reach of our laws, priorities and policies. This trend is already costing us jobs and threatens our very ability to control our own economic and political destinies.

Our officials are working on policies to deal with this problem in a way that will retain the positive effects of certain kinds of transborder data flow.

Along with similar new technologies, the advent of Telidon, surely one of the most exciting Canadian success stories of the decade, poses some important policy and legal questions. Few of the changes we must bring about can be more important than those governing fundamental rights of free expression and individual privacy, in a new era which holds the hope of "all information, everywhere, for everyone".

We will clearly want arrangements and structures that maximize and facilitate fair access by all potential information-providers to a universal, functionally-integrated, but institutionally-separate, distribution system. The fullest possible competition amongst such providers of information is clearly in the public interest.

Threats to individual privacy in this sort of universal access system become very obvious -- particularly if we recognize the intimate functional relationships involved in the storage, switching, transmission and billing for access to, information.

Complete records of the intellectual, business and other affairs of individuals would be all too simple to supply. This threat would clearly have to be met by adequate safeguards in the form of amendments to our privacy laws and related procedures governing the personnel and operation of any such centralized

systems. And amendments -- again with a vital concern to the need for a co-ordinated approach to be kept in mind, will also be required to our existing body of copyright and libel law. The Minister and I will be interested in seeing whatever suggestions you may wish to make in these areas.

Communications law specialists are going to be very busy people in the next few years.

But I think this gathering indicates you will play your full part in enabling Canada to be a winner in the information age.

Thank you.

April 11, 1980

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Statement by Minister of Communications Francis Fox in respect of a request by the CBC to set aside the CRTC decision to issue a temporary network licence to Cable Satellite Network for distribution of the proceedings of the House of Commons

On October 17, 1977, broadcasts of the House of Commons proceedings began, as a result of a February 10, 1977, Parliamentary Resolution approving the radio and television broadcasting of the House proceedings. The Special Committee on Television and Radio Broadcasting of the House Proceedings, chaired by the Speaker, was given the responsibility of overseeing all aspects of broadcasting the proceedings.

Since March 1979, the CBC has been providing live satellite distribution of the televised proceedings of the House to cable systems across the country. This has been done pursuant to successive 30-day temporary network licenses issued monthly by the CRTC. In issuing these temporary network licences, the CRTC made special mention that these should not preclude or influence any future permanent arrangements for the satellite distribution of the House proceedings.

Cable Satellite Network (CSN) is a national consortium of some one hundred cable operators, representing approximately two million subscribers. CSN had filed a competing application with the CRTC, but was not awarded a licence until recently (April 1, 1980).

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On November 7, 1979, the CRTC issued a Public Announcement containing three statements. First, the Commission stated that it did not consider it necessary to issue an exclusive temporary network licence. Second, in accordance with the above, the CRTC indicated that it would be prepared to issue a temporary network licence to CSN as soon as it could commence distribution of the House proceedings. Third, the Announcement stated that the Commission is not certain that a network licence is required for the operations contemplated by the applications, and that this question should be reviewed.

Pursuant to the November 7 Announcement, the CRTC announced on April 1, 1980, that it will issue a temporary network licence for a period of 30 days commencing with the opening of Parliament (April 14, 1980) to both the CBC and CSN. The Commission also announced that it was prepared to issue a temporary network licence to any group of licensees wishing to form a network to carry the House proceedings.

As a result of the April 1 Announcement, the CBC President requested that the Governor in Council set aside the decision reported in the Announcement insofar as it relates to the issue of licences to CSN.

THE GOVERNOR GENERAL IN COUNCIL, having considered the desirability of taking action pursuant to section 23 of the Broadcasting Act, has decided not to set aside, or refer back to the Canadian Radio-television and Telecommunications Commission, the issue of temporary network licences by the Commission for the distribution of the House of Commons proceedings by satellite announced by the Commission on April 1, 1980.

However, the following general policy concerns are of great importance.

The satellite distribution of the House of Commons proceedings is the first "satellite-to-cable" television service in Canada. Satellite television services could have considerable impact on the Canadian broadcasting system, its related industries, as well as the legislative, policy and regulatory environment in which it operates.

The CBC is the national broadcasting service established as a corporation by Parliament. The CBC has played a pioneering role in this field over the last decade, for instance in serving as advisor to the Special Committee on Television and Radio Broadcasting of the House Proceedings and being the first holder of a network licence for the satellite distribution of the House proceedings as of March 9, 1979. The question remains as to whether there is a special role for the CBC in this area as the publicly owned national broadcasting service reporting to Parliament.

There is also the fact that for the first time a national satellite cable network has been established. This fact will impact on the future role of cable and its relationship to the Canadian broadcasting system.

Furthermore, some one hundred cable companies representing approximately two million subscribers, of which almost half are controlled by a few large companies, are already members of Cable Satellite Network. As a result of the CSN licence and as a consequence of their exclusive franchise in the area for which they are licensed, these companies are able to exclude the House of Commons service of any other entity that may be equally licensed to distribute the House of Commons proceedings.

It is to be expected that these issues will be examined by the CRTC at the public hearing to be held in the near future to deal specifically with statutory licence applications for the House of Commons proceedings.

Meanwhile, some of these issues may be considered in the course of the two-phased public hearings of the CRTC, presently underway, concerning the satellite distribution of television services, pay TV and the extension of services to remote areas.

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CHECK AGAINST DELIVERY

THE GOVERNMENT ROLE IN COMMUNICATIONS

NOTES FOR AN ADDRESS BY
FRANCIS FOX
MINISTER OF COMMUNICATIONS
AT THE ANNUAL MEETING OF THE
CANADIAN ASSOCIATION OF BROADCASTERS

CALGARY, APRIL 29, 1980



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This is a particularly special occasion for me. It is the first opportunity I have had to speak at any length on my portfolio since assuming my role as Minister of Communications. This field is relatively new for me and I am determined to make the most of what is my own "new frontier" -- to use a term compatible with the theme of your Convention. First of all, let me say that I am more than willing to accept the inheritance of the past and that I intend to build on it with the materials at hand. That past includes a fair share of both careful and perhaps less fortunate decisions. While I am prepared to accept the wisdom of learning from past experience, I must say that I have no axes to grind about previous efforts in the field of communications. As I begin to understand the problems and concerns of the Canadian communications industry, my first reaction is one of admiration for the recent and dramatic changes in technology. Given the promise of new technologies to come, I am confident in the capacity of Canadians to play a leading role in these industries of the future.

I hope that in our dealings over the next few years, we will be able to influence each other. Through my contacts with you, I hope to get a better understanding of your concerns. And through your contacts with government, I hope you will better appreciate the larger perspective that surrounds the concerns of your industry. In the past, we have scored significant successes, despite our limited financial resources and our proximity to the United States. Our perspective in the future should be shaped in part by these factors. Perhaps you know the Quebec saying: "Quand je m'évalue, je me déssole; quand je me compare, je me console."

In the few weeks since I have plunged into the communications portfolio, I have become convinced of at least one thing. The time for self-contemplation is past. The time to act is now. All the players in the communications field have made their positions known and have submitted detailed briefs defending their interests. A number of task forces have made recommendations. The CRTC has provided and continues to provide an open forum for those who offer telecommunication services and to those who use them, namely the public.

The problems are well defined. And the options are known. So let me assure you: I do not intent to postpone government action on the pretext of taking a fresh look at broadcasting in Canada. I do not favor, for example, launching a commission of enquiry into broadcasting in general or the CBC in particular, as has been suggested by some. Unless someone can convince me otherwise, I believe that such a move would simply be an excuse for doing nothing. As a tennis player, I can at least see that the ball is in my court.

And for that reason, I intend to facilitate communication and consultation between the government and the main communications industries on a more regular basis. I understand that relations between broadcasters and the federal government have been relatively cordial over the years. But I also know that your industry has sometimes felt lost in the tangle of jurisdictions and overlapping authority within the federal framework. Be assured that I share your desire to clarify roles and to formalize to some extent the consultation process between the department, your association and other sectors of the communications industry.

Such consultation is of particular importance since I intend, during the coming months, to outline the government's position in a number of critical areas. With this in mind, and by way of an introduction, I would like to make the following observations.

My first concern is with the nature and extent of the government's role in communications. Frankly, I have not yet reached a conclusion on this matter. Government involvement has traditionally taken the form of providing help and enacting regulations or legislation.

In Canada and in the United States, there is a trend toward deregulation. The trend, I believe, is a symptom of a more widespread dissatisfaction in which the man-on-the-street is seriously questioning the responsiveness of government to his needs. As the minister responsible for the Freedom of Information Bill, I am particularly concerned about this fundamental problem of the public's faith in its institutions.

The debate over deregulation has philosophical overtones. In a recent article, Arthur Schlesinger Jr examined the basic small "c" conservative - small "l" liberal disagreement over the role of government. He wrote:

"Contemporary conservatives ... dislike government.

They believe that government abridges individual scope and freedom; that it destroys self-reliance; that it is inefficient, wasteful and corrupt; that it creates an arbitrary and obnoxious bureaucracy; that it takes on too much and miscarries through overload; that it stifles enterprise with unnecessary regulation; that the people are fed up with it; ... and that it is essentially uncreative, with no capacity to advance the quality of society." And Schlesinger went on: "No doubt an appeal for creative government seems futile in an era the pundits have consigned to conservatism. Yet history reminds us of the inherent cyclical rhythm in our public affairs, the continuing alternations between conservatism and innovation. As a nation, we go through seasons of action, passion, idealism, reform and affirmative government, until the country is worn out. Thereupon we long for respite and enter into seasons of doldrums, drift, cynicism, hedonism and negative government. For the moment, the United States is in the depressive phase of the cycle. It will not be in that phase forever... Conservatism and liberalism have their function. Both must be restrained from pressing their point too far. Emerson said it best: 'Of the two metaphysical antagonists, each is a good half, but an impossible whole... In a true society, both must combine.'"

Personally, I sympathize with the trend to limit government intervention, especially on questions of content. I have no problem accepting the fact that the government should be expected to regulate standards for electronic products. But I would have serious reservations if it wanted to regulate the products of the mind. Echoing Schlesinger, we should not go from one extreme to another. Deregulation should not become a device for governments to renege on their responsibilities. Last year, the Economic Council of Canada released a study on regulation and I think we could benefit from considering its findings with respect to our own sector.

When I speak of the role of government in communications, I am not referring only to the federal government but to all levels. In my opinion, jurisdiction should be shared between the central government and the provinces. I am not the only one who feels this way. This view has guided the federal government's position at federal-provincial communications conferences for several years now. Unfortunately, certain conditions which I feel are a prerequisite to fruitful negotiations were not all met. I am thinking, for example, of the need for a prior agreement on areas to be negotiated, the role of the various players, and especially, the status of cable undertakings. Everyone knows how difficult -- if not impossible -- it is to negotiate the sale of a piece of property if such things as where the boundaries are and what it contains are not spelled out in advance. I am committed to defining, with the help of and in consultation with my provincial colleagues, the terms of an agreement which will meet, as far as possible, both federal and provincial priorities.

When speaking of the government's role, I am somewhat hesitant about using the expression "the public interest". These words have been so misused, they almost seem devoid of any real meaning. We are well aware, for example, that it is in the name of "the public interest" that totalitarian governments impose restrictions on individual rights and freedom.

The CRTC acts as a forum in which the various players in the communications field can express opinions and challenge each other. As an independent body, one of its functions is to uphold this quote "public interest" unquote. Our democratic institutions demand that the political authority respect the independent judgment of an organization such as the CRTC. When first formed, the CRTC had to break trail over some very rocky terrain. It had to fulfil roles as different as those of legislator and judge, if I can use that analogy. I believe the Commission was scrupulous in doing what only could have been a tough job. However, I intend to adopt the position of my predecessors in the communications portfolio and place even greater emphasis on the difference between the role of the Minister, who is responsible for setting government priorities and policy in consultation with his Cabinet colleagues, and the role

of the CRTC, which is to establish and enforce regulations within the existing legislative framework. I want to emphasize that I have complete confidence in the CRTC and in the capacity of its members to fulfill a difficult and most important mandate.

If it is the responsibility of government to establish priorities and policies in communications, then it is also essential that government outline the fundamental principles on which it will base its policies. These principles cover the whole of communications, from telephony to television to computer communications. Today, I want to comment on these principles particularly as they relate to your area.

Before doing so, I first want to emphasize that these fundamentals are not concoctions of the state. They reflect the most deeply held and widely accepted values of our democratic society.

The first principle is, of course, that of freedom of expression. In the context of broadcasting, this encompasses both freedom of speech and freedom of creativity. These are freedoms so universally understood by Canadians that there has seemed little need to discuss them -- although this means that their practical implications are seldom thought out. It is precisely these implications which should concern the government -- not the philosophical concept per se. For example, a person alone in the middle of a desert might enjoy absolute freedom of speech but its exercise would be quite devoid of meaning. Similarly, a Canadian artist's freedom of creativity would have little significance unless his or her work had some reasonable chance of reaching an interested public.

The second principle is that of freedom of access. This encompasses two other elements -- passive access by individuals to various communication services, and active access to the broadcast media and other services such as citizens band radio. Acknowledging freedom of access to broadcasting services simultaneously concedes the public's right to choose between competing services, and more specifically, between Canadian and foreign services.

Full freedom of access could be granted only if it does not impede the reception of Canadian services, or does not increase the cost or diminish the convenience and quality of reception. In addition, freedom of access can not be allowed to threaten the financial viability of the Canadian broadcasting industry.

The protection of the privacy of the individual citizen and the lessening of society's vulnerability form the third principle. This has particular significance in communications, particularly in information technology and data flow.

Equally important is the fourth principle which includes the concept of Canadian autonomy. The concepts underlying the idea of autonomy, independence or sovereignty are best expressed in French, by the phrase "l'affirmation canadienne". The latter image transcends the traditional definitions in English -- control over Canada's political and cultural future, assertion of economic and technological independence -- to convey more effectively intangible notions like integrity, identity and self-fulfillment. In applying the principle, we should consider three elements.

The first, political sovereignty, includes both national sovereignty -- the protection of Canada's interests in external relations with other nations, and federal sovereignty -- preservation of the federation vis-à-vis a harmonious relationship with the provinces.

A second element, technological sovereignty, is closely related to the idea of preserving economic independence. As defined by the Science Council of Canada, the exercise of technological sovereignty in telecommunications would mean replacing technological imbalance by developing computer communications technology, applying it vigorously and stimulating innovation in secondary manufacturing. In addition, shrewd international collaboration and public purchasing policies could be powerful tools for promoting domestic technological development.

The third element, cultural autonomy, is probably the most discussed yet least understood. Here, we encounter the concepts of "national identity" and "national unity" -- which are not identical. The preservation of cultural independence has governed the regulation of broadcasting in Canada almost from its beginning. Nevertheless, Canadians are no closer to this elusive autonomy. Satellites and information technologies are posing new threats and new opportunities. Policies implemented in the name of cultural autonomy are sometimes shallow, and even counter-productive, although the axiom itself remains a valid guide to government action. The preservation of a nation's culture, however that might be defined, is critical to its survival.

Undoubtedly, these four fundamental principles are not unknown to you. You also know that when it comes to their practical application, they are often in conflict with each other. For example, when government acknowledges the right of freedom of choice in cultural matters, is it not in a state of self-contradiction when it censors films or regulates the content of broadcasting.

One solution is to rank principles according to priority -- to decide, for example, that the protection of sovereignty takes precedence over freedom of access to the broadcast media. But isn't that merely an excuse for claiming, in a rather Orwellian way, that some freedoms are more equal than others? I am not convinced that this is the most desirable approach on which to base public policy. It encourages a proliferation of regulations and the growth of bureaucracy -- costly consequences, both politically and financially.

Besides, the natural interaction of different forces does not necessarily lead to catastrophe. A natural balance tends to establish itself and to favor the unrestricted exercise of these four principles. In many instances, competition can act as a natural regulator in the public interest. I do not believe the government should automatically regulate the interaction of such forces. Rather, it should intervene only when, because of special circumstances or technological developments, these forces prevent the relatively balanced application of the four fundamental principles.

The regulation of programming provides a particularly good illustration here. Dr. Meisel has talked about this in relation to AM and FM broadcasting. The examples here relate more to television. The Broadcasting Act is based on the premise that the Canadian broadcasting system is a single system in which all of the various pieces form links in a single chain. I do not intend to begin a long discussion of this, but I find myself asking questions. To me, it does not seem to reflect the reality of broadcasting in the eighties.

Today, the reality of broadcasting is of many broadcasters competing for the attention of the viewers. The programming of foreign stations does not, however, come under CRTC regulation as does that of Canadian stations. I sense that this situation, regardless of its other merits, tends to penalize the Canadian competitor to the advantage of the foreign one.

I am sure we all agree with the objectives behind regulations designed to enhance the Canadian broadcasting system. But it is difficult to achieve these objectives in the face of a situation whereby a large part of the audience is tuned to American stations. Many prefer American programming and this is their freedom of choice. Some argue that it is more in the national interest for Canadians who prefer American programs to choose to watch them on a Canadian rather than an American network. At least they would then contribute to the financial well-being of a Canadian undertaking. At least, they would then be exposed to Canadian announcers, Canadian advertising and Canadian news. The benefit of such "exposure" in terms of maintaining a collective identity or national unity would be far from negligible. I would be interested to hear your comments on these arguments.

The root of this problem can be traced back to the original premise of a single system and to the idea that all members of the system should be subject to the same regulations and bound by the same objectives. I want to at least explore another possibility whereby the public broadcasting sector would have one mandate (probably very close to the one defined in the Act), and the private sector would have a somewhat different one. The role of the public sector might be to keep Canada Canadian while the role of the private sector might be to keep Canadians in Canada.

To keep Canadians in Canada, I believe the private sector should be attracting Canadians to watch and to listen to Canadian stations. The challenge facing private TV broadcasters remains as it has been since the beginning of the 1950s -- to broadcast a mixture of programs which satisfies the Canadian audience. A too heavy reliance on imported programming turns Canadian stations into simple re-broadcasters of American fare. A too heavy reliance on domestic productions could lead to a loss of audience to American stations or to American programs on other local stations. The dichotomy between "popular" programming and "Canadian" programming is one which is unfairly derogatory to Canadian producers but it is, unfortunately, a division which is often made by members of the viewing public. The private broadcasters face the challenge of developing popular Canadian fare especially for English language stations, which can compete.

I was pleased to hear that the CRTC intends to re-examine the Canadian content regulations. Their aim is to maintain a satisfactory balance between the twin objectives of quantity and quality. There has been continuing debate in Canada over the relative merits of quantity and quality. It is generally agreed that in the case of news, public affairs and sports, quality can and should go hand in hand with quantity. On the other hand, when it comes to entertainment, where Canadian and American productions are in direct competition, the ideal should be the most and the best. In reality, this ideal is not within the financial capabilities of private programmers. Since the other extreme -- the least and the worst -- is unacceptable, we are left with two options: to place our emphasis on developing quality or to place it on quantity. As we say in French, "on n'attire pas les mouches avec du vinaigre" and over the long term, an audience will not voluntarily choose second-rate products. The solution to the problem of Canadian content, therefore, probably rests in placing our emphasis on quality.

Unfortunately, my ideas concerning the mandate and programming of the private sector would not be acceptable unless the service offered by the public sector truly corresponds to the description given in the Act: a service "predominantly Canadian in content and character that will ... contribute to the development of national unity and provide for a continuing expression of Canadian identity".

Without going into details about CBC programming, I want to make known my unequivocal support of the Corporation. I believe that we have a vital need for such a body, and need to encourage its further development.

The minister responsible for the CBC will always have to flavor his reactions with a grain of philosophy and a dash of fatalism. Tension and latent conflict is inherent in the very nature of the relationship between a political authority and an organization whose funds it controls but which must preserve its independent spirit.

There are many examples throughout the world where governments interfere in programming. I have visited several and have watched a number of their news and public affairs programs. Frankly, I find that the periodic frictions between politicians and the CBC are a small price to pay to enjoy our freedom of thought and expression; freedoms that are as much an integral part of the Canadian way of life as breathing is to living.

CHECK AGAINST DELIVERY

THE EIGHTIES -- NEW OPPORTUNITIES IN COMMUNICATIONS

NOTES FOR AN ADDRESS

BY THE MINISTER OF COMMUNICATIONS

AND SECRETARY OF STATE

THE HONOURABLE FRANCIS FOX

TO THE ANNUAL CONVENTION

OF THE CANADIAN TELECOMMUNICATIONS CARRIERS ASSOCIATION

JUNE 22, 1980

VANCOUVER, BRITISH COLUMBIA



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While the rise of the information technologies does open the door to new questions and concerns it also present us with new opportunities, and I'd like to spend the next few minutes talking about some of these, particularly in the field of communications. In doing so, its not my intention to gloss over the concerns. We'll all be facing these in the weeks and months to come. Instead, my objective is to emphasize that we will all benefit if we direct our attention to the opportunities, rather than let the problems deter us.

Canadians have always enjoyed a history of innovation in communications. Its become part of our national pride to be able to count Bell, Marconi and others as our own. Their modern day equivalents, spurring the development of new products, services and networks in communications, show no signs of letting down the tradition. Consider the recent achievements -- Canadian achievements -- in Telidon, fibre optics, satellites, digital transmission, or electronic switching. Perhaps its only because our age pays less homage to its heroes, that the names of the new innovators aren't on the lips of every schoolboy.

Canadian industry has demonstrated that its products and services are competitive in both domestic and international markets. And at a time when general economic indicators are sluggish, the communications sector remains one of the fastest growing in our economy.

As I said, I believe the Eighties will offer many opportunities in communications. Let's examine some of these.

Just a few weeks ago, Telidon made its first breakthrough in the United States, the largest communications market in the world. I'm sure you all heard about the consumer trial of Telidon in Washington to be conducted by PBS and the Alternate Media Center. The promise of Telidon lies in its technical superiority over other videotex systems. But it has always been the feeling within the Department of Communications that Telidon had to make significant and early international headway in order to successfully compete against its rival systems. Little wonder that we have devoted considerable energy to promote Telidon in the United States. And little wonder that we consider this particular trial so significant.

The breakthrough in the U.S. would likely not have occurred if Canada's telecommunications carriers hadn't already shown their support of Telidon when it was most needed. Many of you are, or soon will be, conducting field trials and market studies of Telidon in various parts of Canada. The degree of collaboration between government and industry in these trials demonstrates what we can do when we work together.

Telidon presents us with the possibility to tap large, worldwide markets for Canadian produced hardware and even more importantly for Canadian designed applications. One such application of Telidon -- the delivery of TV services to the hearing-impaired -- is being examined by a government-industry committee which will recommend the best approach to the introduction of closed captioning in Canada. Next year is the International Year of Disabled Persons. And now

that the technology is becoming available, I want to encourage the introduction of a Canadian designed captioning service as quickly as possible, so that those who are unable to do so now can begin to enjoy what we all take for granted.

Clearly, we are on the verge of nationwide electronic information systems based on technologies such as Telidon. These, in turn, will mean increased traffic, systems, terminals and facilities. I know that many of your companies are already examining the prospects in some detail. And there is no doubt that the carrier influence will be essential in the development of compatible standards for these extensive and sophisticated networks.

But I have a personal reason for my enthusiasm.

When he assumes office, a new Minister is immediately confronted with an enormous mass of paper. He may have difficulty finding his desk for the number of briefing books and other documents piled on top of it. This is doubly the case when a Minister is given two portfolios, as I was. In these circumstances, a natural sympathy is kindled for any device that promises to reduce the amount of paper he has to deal with, while still giving him the information he needs.

I was fortunate -- and it was also good salesmanship on their part -- that officials in the Department of Communications not only presented me with a couple of feet of briefing books but also put the key facts and figures onto Telidon. This considerably expedited our briefing sessions and gave me a

practical demonstration of the promise of videotex and its allied technologies.

Canada's satellite program represents another example of new technologies creating new potential. Originally our communications satellites were seen as being akin to microwave towers in space, but it's apparent that they offer many more possibilities for a wide range of applications. Canadian industry, government and numerous user groups have led the world in the use of high powered communications satellites for new applications such as telemedicine, education and community interaction. The Anik B series of pilot projects is demonstrating that some of these may be commercially practicable.

I think it's now generally accepted that satellites are not a threat to our terrestrial networks. We're going to need both to satisfy the growing demands for channel capacity and for new services.

A significant portion of the increased demand will come from the cultural industries of Canada. The broadcasting industry already represents the source of 40 per cent of Telesat Canada's revenues. I believe a natural customer of our communications carriers is our culture industry. Although the economics involved are complex, it seems to me that it is worthwhile exploring ways in which our cultural industries -- film, theatre, dance and other performing arts as well as educational services -- could enjoy greater access to regional or national audiences. I expect the CRTC's forthcoming report on extension of

services and pay TV will provide additional impetus for the use of our satellites.

With the explosion of new services, and the potential for more, we are beginning to see some changes already. The lines of distinction between types of services are becoming less clear. And heretofore distinct interests are starting to elbow each other in terms of providing many of the new services. This in turn may give rise to new sets of problems -- problems that will not be solved by traditional approaches. They will require new solutions and it may not be altogether wise to bind ourselves by past practices that may no longer be effective. Admittedly, these changes may give rise to frictions, but we are reasonable men and women and I am confident we can resolve our difficulties.

For example, I note your association's decision not to participate in some aspects of the jointly funded government-CTCA fibre optics trial in Elie Manitoba, next year. As you know, the program will demonstrate the benefits of fibre optics technology as a means of improving service in rural areas. The first phase of this trial has been an outstanding example of government-industry co-operation. And I am naturally disappointed with your decision, particularly since it is influenced by the regulatory requirement that cable operators must own a portion of their distribution equipment. However, in view of the divergent opinions held on this subject and the policies established by the CRTC over the years, it might be useful if a public hearing were held on the matter. I intend to discuss this possibility with the CRTC chairman.

Electronic mail is another example of a new application of developing technology. Electronic mail delivery will not likely develop as one homogeneous system. But one thing is certain. Electronic mail will surely lead to innovative uses of telecommunications as well as a substantial increase in traffic. I was pleased to learn that some of your members are considering what services or facilities could be sold or leased to the Post Office. And some of you have already announced inaugural electronic mail services. No one doubts that electronic mail is coming -- and that it will have a far-reaching impact, but the shape or form it will take is not crystal clear.

The carrier industry is well positioned to offer the technical know-how, facilities and operating expertise to implement forms of electronic mail service right now. In fact, Telidon promises to make electronic mail possible without any requirement for expensive central office storage or processing facilities. The Post Office, with its 5000 offices and extensive manual delivery systems, is almost a captive customer. I'm sure my colleague, the Postmaster General, would be as interested as I am in proposals for electronic mail that will enable the Post Office to serve the public better and at the same time generate revenues for you, the carriers.

As the largest Canadian user of telecommunications, the government itself represents another opportunity for carriers. As a major user, the government could provide the means by which new technologies are introduced and applications developed. But there is another, quite different kind of

challenge that exists here as well -- in the potential to generate more effective communication between the government and the people of Canada. As you may know, I have a particular interest and responsibility in promoting measures to improve access by the public to government information. The government will soon be introducing legislation which will ensure the right of citizens to access government files. But government, through the use of new technologies such as Telidon, can not only ensure the right of access, but can also make information more readily and more quickly available to citizens. As a result, we are studying the possibility of conducting a trial in which several government departments would provide information for various pilot Telidon trials across the country. I note that the Canadian Videotex Consultative Committee has already urged the government to purchase terminals for this kind of use. Located in public places, such terminals could lay the groundwork for improved communications between the government and the citizens of this country.

It is becoming increasingly apparent that the leading edge of the Information Society will be first felt in our offices where about half of our labor force works. As you know, new communications and computer technologies are combining to make possible the electronic office and this is already occurring with startling speed. I believe some quick and concerted actions are required now for us to benefit from recent developments. There are windows of opportunity, often with narrow time frames and Canada currently faces such a window for launching new products and services aimed at automating the office. This window

is expected to close, perhaps as early as 1983, with the introduction of products and services by the giant multinationals who have traditionally dominated the office equipment market. Just as the old manual typewriters have been replaced by electric typewriters, we are now seeing word processors rival sales of typewriters. As most of you know, a Canadian company, AES Data of Montreal, has captured a large share of the Canadian market for word processors and is doing very well internationally. But this is only the beginning. Now, word processors are being linked to become communicating word processors. And these processors are just one type of "intelligent" device which will soon be found in our offices. I, for one, am looking forward to that day when electronic storage of files will get rid of a lot of paper burden -- and who doesn't welcome that?

Such equipment can improve our efficiency, increase our productivity and, if properly managed, make our domestic industry more competitive in world markets. Our major competitors -- and customers -- the United States, Britain, France, West Germany, Japan -- have grasped the significance of this and are pouring hundreds of millions of dollars into these new technologies. Their interest and ours is justified. At a time when Western economies are stagnant as a whole, growth rates in these high tech industries of 50 per cent and more are commonplace.

If we ignore the benefits of office automation, we do so at our own peril. Nearly five million jobs are potentially affected as existing equipment and

services are replaced. If our industry and labor force do not rise to the challenge, the resulting trade deficits directly attributable to the influx of these foreign products and services may well exceed four billion dollars by the mid-1980s. Clearly, that's unacceptable.

We are aware of the threats and challenges posed by office automation. Some of your member companies are already actively exploring the opportunities here. One of my objectives is to encourage development of Canadian high technology industries to ensure Canadian products and services are found in the nation's offices. Consequently, I have instructed my officials to develop a plan for the expansion of my department's Office Communications Systems Program. This program seeks to develop a Canadian capability to supply office communications systems as good as or better than those found anywhere in the world.

My department has already conducted a number of studies in conjunction with Canadian industry in the first phase of this program. We now want to proceed with the next phase. Canada has a unique opportunity to capture part of the potentially huge market for automated office systems and services. For starters, we have the capability, based on our current position as a world leader in the microelectronics and telecommunications fields.

The objective of our plan -- and our goal -- should be to capture at least 50 per cent of the domestic market -- which is expected to be worth an estimated \$3 billion by the mid 1980s -- and at least one per cent of the international

market, which would bring another \$3 billion in to Canadian suppliers by the end of this decade.

There are a number of things we can do to ensure this share of the market. First, the government, through its purchasing policies, could provide the specifications and the initial market for automated office products and services developed by Canadian industry. Given this guaranteed market, venture capital should be readily available to provide the required financial backing. Given the minimized marketing risk, Canadian industry could form an integrated marketing entity to present a single and efficient front to the domestic and international automated office markets. Just about a week ago, the Canadian Advanced Technology Association discussed creation of just such an entity at a meeting in Ottawa. The association has already written to me to say that it would like to work closely with us to ensure that there is a Canadian alternative to the procurement of foreign technology.

A second thing we must do is provide a favorable regulatory, standards, legal and tax environment. Such an environment must be designed to encourage compatibility, interconnection and use of Canadian produced products and services.

Third, we can expand and more closely co-ordinate advanced research and development programs in government, industry and universities that would enable Canada to stay ahead of its competitors. We've been first many times before and

I am optimistic about the future. We may make mistakes along the way but I believe we can learn from these mistakes.

Our efforts to take advantage of the opportunities and to stave off unwanted side effects must also be co-ordinated. The Office Communications System Program concerns not only the rapidly evolving intelligent machines which will invade the office, but also the transmission systems through which these machines will converse throughout Canada and the world. I need hardly remind this audience that these transmission networks, already the central nervous system of this country, will be the foundation of a Canadian industrial infrastructure for office communications systems and, indeed, for the Information Society.

We are also placing emphasis on the development of international standards and protocols for linking computer information systems such as office communications systems. These standards at the national and international levels form the key to maintaining a competitive environment. Without them, a multitude of industrial standards could result, leading to a kind of electronic Tower of Babel.

Co-ordinating the efforts of government, industry and universities is difficult at the best of times. We may need to look at new co-ordinating structures that would bring together the right people from diverse groups. The Canadian Videotex Consultative Committee which was established to ensure a

co-ordinated effort in the development and use of Telidon may well be a model for new office communications systems. Whatever new co-ordinating mechanisms we establish should include representation from universities. They will have to produce the trained people Canada will need in the years ahead.

The degree to which we can exploit the opportunities in office automation will also be influenced by the level of awareness of Canadians about the importance of issues at stake here. New technologies will have to be introduced in a way which encourages their acceptance, not rejection. And the design of the automated office will have to take into consideration the needs and attitudes of the people working in it.

In my time today, I have touched on only a few areas of opportunities in the Eighties -- a decade which could be one of the most exciting in our history. I believe we can meet the new technological challenges, particularly if government and industry work together to create jobs, export products and services, to expand our markets and to contribute to our economic and cultural wellbeing.

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COMMUNICATIONS AND
THE NORTH-SOUTH DIALOGUE:
A VITAL LINK

NOTES FOR AN ADDRESS
BY THE
HONOURABLE FRANCIS FOX
SECRETARY OF STATE AND MINISTER OF COMMUNICATIONS
TO THE OPENING SESSION OF THE 1980 ANNUAL CONFERENCE OF
THE INTERNATIONAL INSTITUTE OF COMMUNICATIONS (IIC)
SEPTEMBER 8, 1980



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It is a particular pleasure for me to welcome you to Canada and to the Annual Conference of the International Institute of Communications. I welcome you not only on behalf of the Government of Canada but also on behalf of the Canadian members of the Institute, some of whom are sharing this platform with me this morning. These members, from government and the private sector, represent a cross-section of communications in Canada. They have worked closely with the Secretariat of the Institute in hosting this Annual Conference.

We in Canada are proud of our communications achievements. When among our colleagues from other countries, we never say that we have the best communications system in the world. Rather, we modestly claim that our system is, and will continue to be, "second to none". But we are not complacent. There are serious questions which must be addressed if Canada is to maintain its dynamism in this field. Above all, there must be a commitment to adapt our system to meet new challenges in a creative way. This week, as you may be aware, our Prime Minister and the premiers of our 10 provinces are engaged here in Ottawa in important constitutional talks which include communications as one of a number of priority subjects.

We in Canada find ourselves facing new challenges and emerging issues in the wake of changing conditions and technology. But we are not alone. Many of the concerns we face are shared by all countries, either developed or developing.

For this reason, this Annual Conference is particularly important. It is addressing, from a multidisciplinary perspective, the most compelling international and national issues in communications. It is providing the opportunity to explore and absorb how concerns are being dealt with around the planet. In doing so, it will continue to fulfill the objective established by Canada's former Prime Minister and President of the Institute in its formative years, the late Lester B. Pearson.

Like many other countries, Canada is a crucible of many of the issues on the agenda of this conference. We in Canada occupy an immense land mass with both developed urban and rural regions as well as vast stretches of isolated and still developing areas. While we are a sophisticated country in terms of new communications technologies and applications, we also share with developing countries many concerns related to political, cultural and economic sovereignty. These concerns were expressed last year in the report of the Clyne Committee which studied the implications of telecommunications for Canadian sovereignty.

As a developed country, we have introduced new communications technology of our own since the beginning of the era. Marconi made his first radio transmissions on our soil. Alexander Graham Bell, who rests in Nova Scotia, invented the "Electric Speaking Telephone" in Brantford, Ontario in 1874. More recently, we have become world leaders in the emerging information and communications society. In 1972, we became the first country in the world with a national communications satellite system. In 1978, we introduced Telidon, the advanced, Canadian designed videotex system. We have also become world leaders in the application of cable TV technology.

We have embraced communications technology, probably because of our historical need for contact in a vast land. Perhaps for the same reasons, our country has also spawned some of the leading thinkers and philosophers of the information age.

In an effort to understand the forces which bind us together, Canadians such as Marshal McLuhan and Harold Innis have developed economic, political and conceptual theories of communications which explore the concepts of time and space, of history and geography in the progress of civilization. In "The Bias of Communications", Innis warns that "mechanization...has been responsible for monopolies in the field of knowledge..." which could destroy the conditions of freedom of thought in western civilization. One of his central themes is that changes in communications technology affect the very foundations of our cultures.

As a nation which is still developing, we are concerned that our national sovereignty and identity not be eroded as a result of thoughtless application of technologies without regard for their implications for the economical social fabric of the country.

The Canada-United States communications relationship is, without exaggeration, the most complex such relationship between any two countries in the world. It is certainly a mutually enriching relationship. However, as a nation sharing a border with another whose population and economy are about ten times the size of our own, we have found that "letting problems take care of themselves" is a luxury we usually cannot afford.

We are and will remain committed to the freest possible flow of information. But it is facile to attempt to categorize sophisticated policies in black and white terms. A balance is required in terms of protecting legitimate sovereign rights on the one hand, and ensuring the free flow of information on the other. Many of the communications issues which impact upon Canada-United States relations fall somewhere in between. The criterion should be whether a developed country such as Canada, or for that matter a developing country, has

managed in its communications policies to balance competing interests in a responsible and internationally exemplary way. And one has to assess the facts in every particular case. There are obviously different dynamics at play in an East-West situation than in the Canada-United States relationship.

Let us look briefly at a specific communications issue - the flow of data across national boundaries - this is a topic on your agenda and is receiving the attention of governments throughout the world. The problem, of course, resides not in the flows themselves but in the extent to which control over data, as well as the information which results from their processing, is retained by the originator or the originating countries. There are important legal, social and economic implications in this which must not be underestimated or treated lightly. If information is power -- and I don't believe anyone disputes the point -- then there is a growing perception that a great deal of power is flowing out, not in.

While some attention has been given to the vulnerability of individual citizens when personal data flows outside the country, attention has only lately begun to focus upon the fact that centralization of data, while perhaps efficient, also carries very real costs - costs that result from an erosion of sovereignty, loss of jurisdiction and the transfer of large amounts of processing dollars and employment from one country to another. It is essential that agreement be reached on both an international and a bilateral basis in order to provide the necessary legal safeguards to protect against imbalanced flows.

The issues here, it seems to me, are of concern both to developed and developing countries. We've heard about the "global village". But is there not a danger here of a "global headquarters" developing if present tendencies continue?

Many of the new concerns which have been pressed by developing countries during international negotiations on development strategies and priorities have influenced the debates on communications issues. Over the last few years, developing countries have begun to call for "a new international communications and information order" as the necessary companion of "the new international economic order".

Communications hardware and software, tailored to the requirements of individual countries, are essential to the process of development in general, as well as to development in particular sectors. Although the relationship between communications and development is obvious, I have been amazed at how little hard data there is on this. You may be interested to learn that the Canadian International Development Agency and the Department of Communications have been cooperating during the past year on a policy study which, we hope, will be a valuable input in establishing the vital link between telecommunications and development.

Increasingly, developing nations are making known their concerns. Recent events have demonstrated that accommodation and rapprochement are not only possible, but are, in fact, occurring. In 1979, the International Telecommunication Union (ITU) successfully completed its crucial General World Administrative Radio Conference where the legitimate interests of both

developing and developed countries were accommodated in a positive working atmosphere. Further difficult issues, many technical but with important implications for development, will be considered at the 1982 ITU Plenipotentiary Conference in Nairobi and in a series of special Administrative Radio Conferences to be held during the 80's.

As you know, a special session of the U.N. General Assembly is now meeting in New York to approve a new international development strategy, in preparation for the Global Negotiations on the subject beginning in 1981. Of particular importance in the communications field is the 21st General Conference of UNESCO, which will take place in Belgrade later this month. UNESCO is being asked to consider the recommendations of its Director-General concerning the results of the MacBride Commission which completed its two-year study of communications problems this year. UNESCO will also consider proposals for a new International Program for the Development of Communications outlined in the Conference on Communications Development held last April in Paris.

While conferences and reports are nothing new, events have begun to move at such a rapid pace that many analyses and policies are already hopelessly out of date. The all-embracing dimensions of the new information society are only now beginning to attract attention. Whether one accepts the most dramatic or more conservative predictions, it is clear that the new information society, born out of the convergence of communications and computer technologies, will bring about changes as fundamental as those caused by the Gutenberg printing press. A recent Canadian publication Gutenberg Two described this new communication age as a revolution in both scope and social impact. At the very least, a new recognition is emerging that the implications must be addressed and new policies devised as a matter of the highest priority. If we are not going merely to follow the technology, we no longer have all the time in the world to act.

We are indeed privileged to have with us today, as our Keynote Speaker, one of the world's most enlightened proponents of development, the Right Honourable Olof Palme of Sweden, Vice-Chairman of the Independent Commission on International Development Issues, The Brandt Commission. Early this year the Commission published an eloquent and comprehensive report calling for rapid and extensive growth in international financial assistance and in technical and human cooperation, as a means of narrowing the increasing gap between rich nations and poor. Mr. Palme, I am sure, will provide us with the framework to guide our discussions this week. Reflecting this call for international action, a Canadian Parliamentary Task Force has been established to examine major North-South issues and to make recommendations on what measures Canada should take as part of a meaningful international strategy.

Prime Minister Pierre Trudeau has taken a strong personal interest in the advancement of the North-South dialogue, an interest that I share. As Mr. Trudeau noted this Spring, "the problems of the least developed countries are especially compelling. There can be no real solutions until the world community finds the will and the way to replace sterile rhetorical confrontation with a united and practical response to the poverty, hunger and stunted economies which oppress so many of the world's people."

Every country must decide for itself the priority to be given to communications in its national development - a lively issue, particularly in countries where development strategies must aim first and foremost for simple survival. All of us must resist the temptation to see in communications a panacea for development. The case can easily be oversold. Nevertheless, we are all interested in permanent improvement, not just temporary repairs. In both developing and developed countries, communications are a necessary lever for progress. Communications networks are the nervous system of the twentieth century nation state. The inability to receive, store and exchange information

is an inability to plan, coordinate and organize. This shortcoming is bound to arrest economic development and to keep poor nations poor.

Used positively and boldly, new communications technology could be the cutting edge required to sever the Gordian knot of many developmental problems. Used insensitively, however, the emerging information society could contribute to freezing North-South inequalities.

There is little doubt that the capability to move information swiftly, relatively inexpensively and in greater diversity and complexity than ever before, should be of considerable benefit to developing countries. These countries are, however, usually hardpressed to afford costly new technology. Developments in telephone, microwave, landline and underwater facilities, to say nothing of advanced outer space communication systems, are both expensive and technically demanding. A clear responsibility, therefore, resides with industrialized countries, as each of us reappraises our efforts in international assistance, to ensure that essential communication requirements are integrated in development planning.

The hardware, however, is only one side of the problem and, in fact, takes second place to the more fundamental issues associated with content. These are the questions of message rather than messenger. Today's electronic messengers, including radio, TV, satellites, fibre optics, coaxial cable and others, are more powerful and less vulnerable, for example, than the messengers of ancient Rome who occasionally paid a stiff price for the Emperor's reaction to the delivered message.

Because of the intimate relationship between hardware and software - the medium and the message - we in Canada have recently taken the step of placing federal government responsibilities for both these areas under one roof. Now, cultural and communications concerns are addressed within a single government

agency--the Department of Communications. As I have previously noted, this change should help to ensure that communications policy is conducted with the highest concern for the cultural content and the cultural implications of communications technology. It should also help to make the cultural milieu more sensitive and more aware of the importance and the rapidity of technological progress in the field of communications. It is the Prime Minister's view that such progress should serve more and more to strengthen our culture and identity. The challenge facing many developing countries today - and, in this respect I include Canada as a developing country - is how to stimulate the production and dissemination of information and entertainment to allow society, culture and the economy to flourish.

Even in the days when the chief vehicle for cultural invasion was the motion picture screen, the flow of traffic was overwhelmingly one way. Proliferation of satellite channels, coaxial cable systems, videocassettes and discs, as well as other broadcast technology, could easily turn that flow into a tidal wave sweeping everything before it, including traditional values and the treasures of national, regional and local expression.

But the danger is not so much in the tools as in their possible abuses. So the answer is obviously not to become latter-day communications Luddites. Once we understand the implications, and guard against abuses, the new communications technology can be used as creative and liberating forces rather than oppressive ones.

One of the major challenges to development is to ensure not only that the right kinds of communication facilities are put in place, but that they deliver to the right addresses. Too many developmental projects peter out in national capitals and urban centers, leading to a further widening of the gap between cities and more isolated areas and, ultimately, between the rich and the poor. Canada is facing this particular challenge by adapting different means of communications to different parts of the country. Pilot projects involving

direct broadcasting by satellite, using higher satellite frequencies and small portable earth terminals, are now being conducted in the remote parts of several provinces and Territories. In Saskatchewan, a predominantly rural province, an ambitious effort has been launched to develop a province-wide microwave, coaxial cable and optical fibre delivery system.

We Canadians are certainly not going to miss the opportunity to show off a few of our Canadian successes to a captive audience of distinguished communications experts. But I do not want to leave you with the impression that we think we have all the answers, or that our national experience should serve as a world model. Every country must determine for itself the most appropriate national communications policies. What is clear, however, is that no country can afford to develop policies which do not reflect the implications of technological developments which transcend national boundaries.

The most delicate question - one to which I alluded earlier - is the degree of influence or control governments should assume over the information which flows through communications facilities. In a democracy, how can the legitimate role of government, which is to protect and advance the public interest, be exercised without damaging one of the most basic of individual freedoms - the "right to communicate"? We are indebted to the pioneering work of the IIC and its President, Jean d'Arcy, for illuminating the subtleties and dangers inherent in this fundamental issue.

The dilemma is that if governments do not play at least a limited role in overseeing, to use a loaded word, the development process, technology will fill the vacuum without reference to the real requirements of its users. But by what criteria can we judge whether governments are wielding this considerable power responsibly? If I may echo the sentiments of Harvard Professor Daniel Bell, your Louis Cowan lecturer at last year's Annual Conference in London: The great variety and volume of problems now handled by the nation state indicate that it

has become "too big for the small problems of life and too small for the big problems".

Canadians, who have zealously sought to retain their cultural distinctiveness and regional autonomy, have learned to agree to differ and to respect different cultural expressions among the peoples of the earth. Our nation, founded on the fundamental concept of sharing, is a fertile land where world cooperation and dialogue can take root. I would hope that the Canadian perspective will be useful to the international community. In an era when change is the only constant, I know that the international community can count upon the IIC and its members to continue to recognize potential problems and point the way toward new opportunities.

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NOTES FOR A SPEECH BY
MINISTER OF COMMUNICATIONS
FRANCIS FOX
TO THE
BROADCAST EXECUTIVES SOCIETY

TORONTO, OCTOBER 21, 1980



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First, let me thank the society for inviting me here. I appreciate the opportunity to address this group of people who have, over the years, made such a significant contribution to the creative vitality and economic well-being of Canadian broadcasting. As a forum for discussing broadcasting, you are unique because you can bring to bear on any issue, the viewpoints of representatives from the radio and television broadcasting industry, both private and public, the cable-TV industry, the advertising industry, advertisers and producers.

Your business sense, your perception and your willingness to take risks have helped give Canada a broadcasting industry as good as any in the world. Perhaps one reason for our success in Canada has been the speed with which you have recognized and adapted to new technological developments.

We are in a period of unprecedented change in communications technology and this change is giving rise to unprecedented opportunities and concerns. Shortly after becoming minister, however, I realized that, though there were many questions still unanswered, we -- and by "we", I mean both the public and the private sector -- could no longer afford to delay action on many pressing issues.

I believe such action is absolutely necessary. Inaction in the face of powerful new computer and communications technologies could leave vulnerable our social, economic and cultural integrity as a nation. Governments in virtually every industrialized country in the world now recognize that the cost of inaction, in lost jobs and industries and in the erosion of cultural sovereignty, could be catastrophic.

Canada is addressing the technological issues in a number of ways, and I don't intend to go into details of these at this time. But initiatives in the

technological front will do us little good if we do not act as well to close the yawning gap between our technical capability and our ability to produce programming of interest to Canadians. These issues are perhaps most clearly crystallized in your own field of expertise -- broadcasting.

Our great concern is the challenge of content -- the cultural challenge. For even if we vault the technological hurdle, our content industries must compete for Canadians' attention with the vast torrent of foreign information which will be carried by satellite, cable and other distribution systems.

If Canadians seem to have focussed more attention on hardware than on content, it is in part because we have had to. Our country is large. Our broadcasting service usually operates in two languages, therefore doubling the delivery requirement. We insist, as we must, on reaching even distant, isolated and sparsely populated areas. As a result, we have had to install more broadcasting transmitters per person than almost any other country in the world. If we compare the number of TV transmitters, including rebroadcasting transmitters in the U.S. and Canada, we find this startling fact: There are 1045 transmitters in Canada and only 982 in the U.S., yet the United States has 10 times the population. For the same reason, we have embraced satellite technology, for satellites are the only means to reach many Canadians. We are the most heavily cabled country in the world, for we found that, through cable, we could pick up and distribute in Canada, several United States networks and with this same technology, we can more effectively pick up and deliver Canadian stations.

All of these factors have led us to invest in very elaborate and costly distribution hardware. And the process continues. Already, we are embarking on the construction of major fibre optic distribution systems.

We are continually having to augment our capacity to distribute programs and are spending increasing amounts of money to achieve this. However, the sources of revenue to produce Canadian programming has remained the same over the years -- mainly government subsidies and advertising revenues.

Yet these Canadian programs, financed from these same sources, now have to compete with an escalating multiplicity of programs coming from the United States. As a result, audiences are becoming more fragmented, and this in turn has effects on the economics of program production. In short, while Canada has one of the most sophisticated delivery systems in the world, our content industries need to be strengthened.

On an individual basis, we can produce in Canada quality programming at less cost than in the United States. Here is an example: The CBC spent a little more than \$1 million on its seven-hour series, The Canadian Establishment. NBC put out a cool \$22 million for Shogun, its 12-hour blockbuster series shown in September. If you work it out, you'll discover that NBC spent roughly 10 dollars on Shogun for every dollar set aside by the CBC. Canadians can produce first class programming that Canadians will watch and for even less than the United States.

We have the creative and organizational talent to produce world class programming. The economics of program production, and the realities we face in Canada dictate that, under present circumstances, we can produce only a few programs each year of this calibre. But it is simplistic to suggest that the solution lies in producing a few high quality productions each year. The problem is how to finance a large enough number of quality programs. It could be argued that Canadian broadcasters could be making more effort to improve the situation. But there is an economic situation that leads Canadian broadcasters to fill their schedules with cheaper productions and with programs from the United States purchased at a fraction of their production cost.

The inescapable fact, which applies to the CBC and to private broadcasters with equal force, is that high quality Canadian programs are costly while

American imports are inexpensive and attract a lot more advertising revenue. Production costs of American programs such as Three's Company, Dallas and Archie Bunker's Place average \$500,000 per half hour. Budgets for CBC produced Flappers and Home Fires average \$100,000 per half hour. Such American shows are available in Canada at or below \$15,000 per episode and normally attract two or three times their purchase price in advertising revenues. Revenues from Canadian programs average between 20 and 25 per cent of their production cost.

Under these economic circumstances, Canadian programs have a difficult time competing with their American counterparts. As a result, many broadcasters in Canada set aside much of their prime time schedules and budgets for American programming. The simple economics of broadcasting in Canada contributes to a situation where more than twice as much foreign programming as Canadian is made available to English speaking Canada. The situation is not as alarming in French Canada.

This question should be of concern to all of us. But how do we get Canadians to watch more Canadian programming? Clearly, we can't legislate an audience for Canadian programming. Instead, we must attract audiences with excellence. We must make every effort to help our program producers generate a high volume of high quality Canadian programming.

The achievement of this objective will require a judicious mix of policies. And, as I indicated in my speech to the Canadian Broadcasting League two weeks ago, some of these are already in place. For example, the 100% capital cost allowance on certified Canadian film and video tape productions, and the financing programs of the Canadian Film Development Corporation have been of great benefit to Canada's feature film industry. At least 100 feature film companies are now at work producing Canadian films here and abroad. Last year alone, these companies were responsible for over \$150 million in production. I am also very encouraged by the plans of the Canadian Film Development

Corporation to get involved actively in financing and marketing television productions. There is, of course, room for improvement here, for example, in defining more precisely what constitutes a "Canadian" production.

I am encouraged too, that the CRTC is reviewing its current Canadian content regulations for television, and am hopeful that the Commission's review will lead to positive changes.

The CBC, as the major producer of Canadian content, is able to overcome some of the economic obstacles through its annual appropriation from Parliament. Private broadcasters are also making inroads. But both the public and private sectors, in my view, should be doing more. Our independent production sector is showing considerable promise, as producers undertake new and more creative projects with better financing.

The National Film Board is looking to make better use of existing and new production and distribution policies in order to reach out to greater audiences.

These measures, along with others, will help to create a climate in which Canada's vital and talented creative community has a genuine opportunity to flourish. I also have no doubt that our creative community will respond. Certainly, we have proven that they can, if given the resources, create the very best in TV programming.

The measures I have just outlined are important steps. As Canadian consumers, we demand a greater and greater diversity and multiplicity of United States programming. At the same time, we want a Canadian broadcasting system providing good Canadian programming. To satisfy these demands will require very imaginative economic

solutions involving all sectors of the communications industry. You as Canadians and as broadcast executives have a special responsibility to carry out this task. From my experience, I have found that solutions often arise from the practitioners themselves. I look forward to learning more about your ideas and initiatives.

My officials and I have had a number of meetings with the CRTC in recent weeks to examine some of the more pressing issues before us. Today, I wish to outline a series of concrete steps which are being taken both by me and the CRTC.

First, licensing hearings for extension of basic TV services via satellite to rural and remote communities will get underway in February 1981. This action by the CRTC, which I have been encouraging and fully support, will clear the way for the implementation of a multi-channel Canadian satellite television service to meet the viewing needs of those 2.8 million Canadians who currently have access only to 2 TV channels or less. Many of the submissions to the Therrien Committee of the CRTC highlighted the urgency of finding a solution to this problem. Over the years broadcasters have made significant efforts to extend television service basically via terrestrial facilities. In spite of these impressive undertakings substantial numbers of Canadians remain without a range of choice in TV viewing and most of these people can be reached economically only by satellite. Satellite technology is the key not only to extension of basic services but also to the introduction of new program services for all Canadians.

The programming requirements of Canada's northern native peoples are a case in point. Native cultural needs will not be met by a Canadian satellite service consisting of predominantly southern oriented English and French language television content. A modest start has been made in this regard through the CBC

Northern Television Service and two Inuit pilot projects under our Anik-B Communications Program. As Canada's first citizens, the native peoples have special needs related to the preservation and strengthening of their cultures. Their traditions are increasingly threatened by outside developments such as satellite television. I expect to be having discussions with native groups in the coming months to explore means of helping them use television in support of their cultural requirements.

I wish to take this opportunity to express my appreciation to the Therrien Committee for the work they have done and the excellent report they have produced.

Second, I have directed my officials to pursue with the CBC a proposal for interim distribution of some CTV and TVA programming by satellite. This arrangement would use capacity on the satellite system which now delivers the House of Commons proceedings. Up to 60 hours each of CTV and TVA network programming would be delivered during periods when the House is not sitting. This means full weekend service, prime time programming on Wednesday and Friday evenings, and some programming on other weekday evenings. I am optimistic that with the co-operation of all parties, and with CRTC approval, this arrangement can be implemented this fall. This action follows a recommendation of the Therrien Committee calling for the government to arrange, on an interim basis, for one or more TV channels to be delivered via satellite to remote areas. I am well aware that this alone will not resolve the total problem. However, as a temporary measure, it provides a clear indication to remote and rural Canadians that the Federal Government and the CRTC are serious about meeting their broadcasting needs.

Third, the CRTC has endorsed the Therrien recommendation which calls for the introduction of pay-television in Canada.

On August 28, I indicated that the introduction of pay-TV was a matter of urgency.

In my view, the prerequisites for Canadian pay-TV are as follows: Canadian pay-TV must contribute positively and significantly to broadcasting in Canada. Canadian pay-TV must include the use of Canadian resources. Canadian pay-TV must stimulate the Canadian program production industry.

As you know, pay television is of long standing interest to the provinces. Their participation in the Therrien Committee was a positive and productive exercise. On August 5, shortly after the publication of the committee's report, I asked my provincial colleagues for their views on the report. But I have not yet received from them any substantive comments. I would be particularly interested to hear from the provinces on the specifics of a strongly Canadian-oriented pay-TV service.

Pay-TV, properly introduced in this country, will contribute significantly to meeting the programming and content challenges which we face. A properly designed pay-TV system will provide a new and financially rewarding outlet for Canadian production. It will provide a direct injection of program funding from Canadian consumers to supplement conventional investment from advertising revenues and government in this area.

The CRTC has indicated in its announcement that it is aware of the urgency of dealing with the issues related to pay-TV.

Fourth, I wish to announce that the government is taking appropriate action to halt the spread of unauthorized earth stations which threaten the integrity of the Canadian broadcasting system. My concern is specifically with the unrestricted interception of U.S. satellite television signals by Canadian ground station operators and the distribution of this programming to the public. As Minister of Communications, I am responsible for administration of the Radio

Act, under which satellite earth stations are licensed. My approach will be to continue to be as reasonable and flexible as possible while protecting the public interest. As I have said before, I am less concerned about individuals who are receiving satellite TV signals for private consumption, with no further distribution to the public. Nor is my immediate concern with isolated communities which lack basic TV service, and where no harm is being caused by unauthorized reception and distribution to the public.

But the most pressing concern, and the greatest threat to the broadcasting system lies with the reception and redistribution of foreign satellite TV programming in the urban south.

Some critics have voiced the view that the refusal of the Federal Government to license direct reception of U.S. satellite TV channels constitutes censorship or interference in freedom of viewing choice. In talking about freedom of choice it should be noted that most Canadians in urban areas already enjoy access to more U.S. programming than many Americans, because they can receive the U.S. networks and see U.S. programs on Canadian television stations. In considering the free flow of information across national boundaries it is essential to take into account the need for balance as well. Allowing the unlimited importation of the 25 or more channels of U.S. satellite television into major Canadian markets would seriously undermine the financial foundation of the Canadian broadcasting system, lead to the bankruptcy of Canadian television stations and networks, and destroy the Canadian broadcasting system.

This activity will not be tolerated. I am initiating enforcement action to shut down those urban earth station operators who have recently begun distributing U.S. satellite television in apartment complexes and hotels. Enforcement measures will include the seizing of unlicensed equipment and the laying of charges by the Department of Justice.

I believe that when most Canadians turn on their TV sets they want to be able to choose from a reasonable quantity and quality of Canadian channels which reflect the values and traditions of this country, in addition to a good selection of the best in foreign programming which Canadians will continue to enjoy. A satisfactory accommodation between satellite technology and the broadcasting system in Canada will have to ensure a healthy environment for our domestic industry so that more and better Canadian programming is available in future.

Fifth, I am currently reviewing measures for changes to the earth station licensing process aimed at making TV-receive satellite earth station licensing simpler and available to a wider number of users.

These measures would, I hope, considerably simplify and speed up the licensing of such earth stations. I will be in a position to announce details of this in the near future.

Sixth, I will be calling for public participation in a review of earth station licensing policy. The review will examine the possibility of doing away with licensing requirements for certain types of TV-receive earth stations aimed at Canadian satellites. It will also consider the extension of licensing privileges to further categories of applicants. I will be announcing details of this review in a few days.

As you know, the Therrien Report recommended that the Government should find ways to simplify licensing and regulatory procedures. These initiatives

which I am taking should lead to greater use of satellite facilities in Canada in anticipation of the substantial additional capacity which will become available with the new Anik-C and Anik-D satellite systems.

Finally, I shall, as quickly as the Parliamentary schedule permits, introduce telecommunications legislation which will set broad objectives for our telecommunications system and define more precisely the relationships among its various parts. The legislation will provide the framework to permit the orderly development of our entire telecommunication system, in response to the new technologies. It will also take into account the new issues raised by the revolution in communications technology. In this way, I believe we shall be able to give a new coherence and direction to communications and cultural policy in Canada, as well as respond speedily to new developments as they occur. Indeed, I regard this telecommunications legislation as the foundation for all our efforts to use the new technologies in a way which serves Canadian needs and helps our broadcasters and program producers to meet the 1980s with confidence.

I believe that the Canadian broadcasting system is a strong and vital force in Canada. It is controlled by Canadians. It provides significant numbers of jobs to our people. It reflects our particular identity and cultural values. It is a creative outlet for Canadian imagination and dreams about the future.

I believe that the various steps I have outlined today will go a considerable way towards supporting the efforts of program producers, broadcasters and other entrepreneurs to exploit fully the enormous potential of these new technologies. As Minister of Communications I will continue to use every means at my disposal to ensure the health of the Canadian broadcasting system.

NATIONAL INFORMATION IN THE GLOBAL ENVIRONMENT

NOTES FOR AN ADDRESS BY PIERRE JUNEAU
DEPUTY MINISTER
DEPARTMENT OF COMMUNICATIONS
OTTAWA

TO THE
HARVARD UNIVERSITY PROGRAM ON
INFORMATION RESOURCES POLICY

WORKSHOP ON STRATEGIC IMPLICATIONS OF THE
CHANGING TELECOMMUNICATIONS ENVIRONMENT
OF NEWSPAPERS

TUESDAY NOVEMBER 11TH, 1980



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I welcome the opportunity this occasion provides to examine with you the rather striking changes taking place in the global information environment, to reaffirm those principles and practices which we share, to explore some important differences which history, geography and economics sometimes create between us, and to speculate on the extent to which these differences may throw light on this new information age.

It has been nearly five years since Marc Porat informed us that over half of the American work force was engaged in handling information. Other nations quickly conducted their own counts to come to more or less the same conclusions: A fundamental change has taken place in the nature of work throughout the "industrialized" world, if we can still call it that.

This change to an information economy reaches to the very heart of the structures of our society: To the infrastructures of transportation and communications, to the way business is organized, the way government is conducted, money changes hands, products are made, leisure is enjoyed, and, as this meeting attests, how people are informed.

The full consequences of this fundamental development still elude us. Our economists have not yet quite determined what information is, how it behaves, how it can be measured, how it should be valued, and how it may be taxed. Political scientists are far from agreement about its political role, and the quality of international debate, though improving, is still sometimes dominated by shrill statements, oversimplifications, and the confusion of myth and reality. Industrialists, who have seen their empires expand trans-nationally as a direct result of increasing speed and capacity, are now facing a painful restructuring of their hierarchies along information lines.

The Canada-United States relationship cannot help but be affected by these changes, since we are each other's largest trading partners, and our largest

foreign investments are placed on or in each other's soil. The enormous complexity of our communications relationship, by far the most sophisticated between any two nations, reinforces our profound social and cultural ties. They bind our economies so closely together, that major developments in one are immediately felt on the other's stock market. Ideas, concepts, approaches, techniques flow freely across the common border. Canadian and U.S. executives, celebrities, academics, intellectuals, are all but interchangeable.

Underlying this powerful symbiosis are a number of fundamental and commonly held beliefs. Canadians, no less than Americans, believe that freedom of expression is a fundamental right. Canadians are just as intolerant as Americans of censorship or of any other form of government interference in the content of the media or the arts. If there was even the suspicion, for example, that the state-funded Canadian Broadcasting Corporation was being pressured by government to orient its programs, and most particularly the news or public affairs programming, the outcry would be deafening. Newspapers in Canada as in the United States base their reputation on their independence.

Canadians, like Americans, believe in freedom of opportunity, the right for a fair chance to shape one's prosperity by the dint of one's effort and talent and brains. To ensure freedom from economic aggression, so that small businesses may grow into large ones, the United States has enacted anti-trust legislation, and Canada, anti-combine. In both countries there is a shared belief that minorities, that the underprivileged, that women, should be given special consideration on their road to equal opportunity.

Canadians, like Americans, believe in freedom from fear and want. For without these freedoms, there would be no right to withdraw one's labour, no right to fail, and thus freedom of expression would have no meaning, freedom of opportunity would become a hollow phrase.

Canadians, like Americans, expect their government to assure that these freedoms exist. And though government actions may take varied forms in the two countries - Canadians have not yet considered busing to equalize minority opportunity; the United States has not yet felt the need to bilingualize its civil service - citizens of both countries know that without government action, these freedoms would cease to exist.

If freedom of expression, freedom of opportunity, freedom from want and fear, vigorously sustained by a vigilant government, have formed the basis of North American prosperity, then perhaps the same principles applied to the global scene will help assure the prosperity of other nations. Freedom of expression at the national level means the freedom to develop a national culture. Freedom of opportunity could be translated into each country's right to prosper, without being faced with economic aggression from any other country. Government action to maintain these national rights is no more scandalous, nor less desirable, nor more unfair, than domestic government action to protect small business, or minorities, from an intolerant marketplace at home. In fact, it is in all our interests that our trading partners prosper.

Indeed, the ways in which Canada somewhat differs from the United States in its approach to information policy stem from the different circumstances it must overcome in the pursuit of common ideals. For instance, freedom of access has come to mean something very different in Canada than it does in the United States. Canadians, for instance, take for granted their right to watch American programs on television, to see American movies, to read American magazines, newspapers and books and, to a lesser but no less important extent, to consult American data banks. Anyone who has visited Canada, switched on a hotel television set, or visited a newstand, knows the extent to which this principle of freedom of access is respected, not only in theory but in practice. The variety of foreign material is staggering. In a most recent innovation, a daily selection from the three television networks in France is now available on

Quebec cable systems, and will soon be extended throughout much of Canada via the Anik B satellite. And Canadians pay for their right to freedom of access. Last year, for example, they spent between 70 and 80 million dollars importing American television programs. The problem - to focus on this critical sector - is that faced with an ever increasing choice of the world's television, Canadian program producers are finding the cost of pleasing has risen to the point where the Canadian viewer is effectively denied access to competitive Canadian material. And government action in this case does not stop the flow of information from other countries but is intended to stimulate the production of competitive and attractive Canadian material, giving Canadians, and perhaps Americans, a choice. And so, while quotas remain to assure some Canadian content, the thrust is away from protection and toward positive measures.

Because of Canada's great size and thinly dispersed ribbon of population along our southern border, and because of the vigour of the world's largest homogeneous market immediately to our south, the problem of maintaining a viable national economy has been with us from the start. Canadians have called on their government to play a leading role in economic development since pre-Confederation times. Whether it be the building of a railroad (the prerequisite of confederation), the establishment of a national coast-to-coast radio and television network (the prerequisite of a distinctive culture), or the creation of a domestic satellite system (prerequisite to the opening of the North), government action has been considered essential. And it was undertaken not to develop a government monopoly, but to open the country to the private sector: Alongside the national railroad now run a dozen private railroads. Alongside Air Canada fly the jets of a dozen private airlines. Alongside the antennas of the Canadian Broadcasting Corporation are those of a number of private networks, and a host of private stations.

There is nothing in this that is peculiar to Canada. Patterns such as these exist in England, in Japan, in Italy, in France and increasingly else-

where around the globe particularly with regard to information industries. Far from being perverse and undemocratic interference in the business of free speech and free enterprise, they are considered by these countries to be viable, effective, and democratic means to assure these principles, and at the same time to guarantee that national information flows will be maintained in the new global information environment.

It is important that those who make or influence policy return to basic principles, when confronted by changing realities. For not since the industrial revolution have we seen such dramatic changes in the structure of our economies. In the industrial era, many laboured, and information was the tool of the elite, the universities, the churches, the instrument of management or of governance. Information was a scarce commodity and information was power for relatively small groups of people. Today we have seen information percolate down through the echelons of society to an ever-increasing extent, torn from the files of government under freedom of information legislation, squeezed from industry, boardrooms under the banner of disclosure, and spread by the media. And as it reaches ever further down into society, information is being transformed from power to wealth. We have entered a new age, a new economy, whose rules are as yet undefined, whose realities are as yet undetermined.

One of the first new realities of the information age, which helps distinguish it from the old industrial age, is the transformability of information. When wood was manufactured into a table, that was the end of it. No one confused it for a coal scuttle or a cannon or a bottle of ink. But the further we progress into the information age, the less it partakes of the old realities, and the more it seems all of a piece. Data and media flow through the same satellites, cables and fibres, can be stored in the same tapes, videodiscs and chips, and can be accessed on the same terminals and screens. Plays become movies which become books or musicals and records, sometimes improving in the process, and generating new wealth with each transformation.

In any of its transformations, it may pass through a cable, or a satellite, and even be etched onto a videodisc and stapled into a magazine, or burned into a memory chip and played through a home computer.

This growing grasp of the unity of information was reflected in the rush to conglomerate in the sixties, when industries in the media formed new alliances. And it can be seen in government in the rationalization or restructuring of the government's role. In the United States, the office of telecommunications policy, and its successors, were created to come to grips with the new phenomenon. In Canada, the expertise which had been nurtured in the departments of Defence and Transport found an expanding home in the Department of Communications, which was created in 1969 to develop policy for the carriage of information, to which computing was soon added. And now, most recently, the responsibility for arts and culture has been shifted to this department. To explain why our government has decided to combine culture with communications in the same department, let me read from my minister's recent statement to the arts community.

"This change should ensure that communications policy is conducted with the highest concern for the cultural content and the cultural implications of communication technology. It should also help make the cultural milieu more sensitive and more aware of the importance and the rapidity of technological progress in the field of communications."

A second reality of the information age is that information is jobs. If fifty percent of the work force is now, or will soon be working with information, then the economic development, and indeed the viability, of the world's nations depends on a flourishing information sector. If the flows of information between nations are too unidirectional, and in effect stifle expression, then the damage to the world's economy could be serious. It is not without significance that the major oil companies are moving rapidly into

information, and that some forecasters predict their revenues from information may surpass those from energy.

National concerns over transborder data flows focussed initially on the question of privacy, are moving to issues of sovereignty, and will probably come down to a matter of jobs, if the Canadian experience proves typical. I can only presume that the emphasis in Canadian policies will be positive. I note that Canadian service bureaus are competing effectively in the United States, and that Canadian businessmen, scholars and researchers want access to the best information available, and will want to shop for it in the global marketplace. However, we would be naive not to take into account in forming our policies, the fact that the continued viability of Canadian society and our economy will depend upon maintaining a dynamic Canadian capacity in the processing and managing of data.

This concern leads to a third reality of the new information age: information is rapidly becoming a major component of the nation's basic infrastructure, and its integrity and viability must be maintained. The Canadian telecommunications system, like that of the United States, is run as a series of regulated monopolies, with a sufficient return on investment guaranteed to allow them to attract the necessary funds for modernization and growth. To keep them efficient, increasing levels of competition are being explored. However, the density of population in Canada being very different from that of the United States has led the Canadian Telephone Companies to charge rather more for long distance, and rather less for urban service, than is the practice in the U.S. The two countries have managed to find an equitable sharing mechanism for trans-border calls. The opening of satellite competition to the telephone companies in the United States would affect these arrangements. Should that large proportion of Canadian industry that is U.S. - owned be permitted to communicate with their head offices exclusively by U.S. satellites, this would have an important effect on the viability of the Canadian

Telecommunications System, and this would have to be taken into account in the formulation of Canadian policies.

Canadian regulators have recently decided to permit the attachment of terminals to the telephone companies' lines. The telephone companies may, of course, compete for the sale or lease of these terminals, but hopefully, innovation and cost-efficiency will be stimulated or improved. The manufacture of terminals has in the past created a number of Canadian jobs, although many of the terminals have been imported from the United States. If the act of deregulation merely favours U.S. manufacturers with larger runs and greater economies of scale than Canadian companies can manage, then whatever economies that have been wrung from the telephone companies will have been more than lost in the exchange.

Fortunately, Canadian electronics manufacturers are learning to sell in the U.S. market, and are able to compete with their U.S. counterparts in price, design, maintenance and efficiency, and the government is encouraging this move toward world-class competition, and away from protectionism. Department of Communications' research scientists working on electronic imagery, for example, developed a major design improvement in the teletext and videotex technology, which we have named Telidon. This may hasten the development of an information marketplace, and help maintain Canada's leading position in telecommunications infrastructure development. Government is working in partnership with industry in the initial phases of this project, but increasing participation by the private sector points the way to government withdrawal once the anticipated market support materializes.

A fourth reality of the new information age deals with the changing role of national culture, that class of information which is more content than carriage, more product than service, and often more feeling than reason. Historically, culture was national in its appeal and only the very best of it travelled

through space and time. Information technology is creating world markets for books, records, movies, television programs, magazines, even newspapers. United States producers, with their huge domestic market, were the first to take advantage of the great economies of scale which characterize the media, and are creating a global culture which often enriches, always challenges, and sometimes threatens the economic viability of national cultures of the world. Nations fear that their own freedom of expression will be lost, their freedom of opportunity to participate in the cultural marketplace constrained.

Part of the answer lies in competing globally, producing world class products for the global marketplace. Sweden's ABBA music recording group have succeeded in finding a global niche among the platinum records, but have had to sing in English to do so. Canada's Harlequin books dominate the world market for romance fiction, but most of its writers are British, and few if any even speak of Canada. The Dutch-German co-national, Polygram, has succeeded in winning a leading position among the major record distributors. We may yet see a second stream of world class culture, as the various nations of the world learn to please on a global scale.

But even were each country of the world to win its fair share of cultural trade, produce its quota of global blockbusters, the problem of regional and national cultural development would only become more aggravated, more pressing, and the question of diversity more real. And just as all governments of the world now subsidize the arts, they now find they have to find new ways to promote national and regional media production, in order to maintain diversity, an internal dialogue, and develop audiences, talent, and new ideas and themes. This, of course, is just as much a concern in the United States as elsewhere. To quote from the NTIA paper on "The foundations of U.S. Information Policy" "United States policy encourages diversity in both the source and the content of information because of the belief that a sufficient diversity of source and content will lead to a diversity of ideas".

A fifth reality of the information age is the depth of concern it evokes from nations of every size and persuasion, and the necessity of maintaining a reasonable dialogue in the face of attempts to polarize opinion around extreme positions. Nations large and small are now aware that information is the new wealth, that its development and trade is governed by new and unfamiliar rules and that there is some danger they may be trampled in the gold rush.

Many developing countries are trying to consolidate their concerns and aspirations in a neat package increasingly being referred to as "a new world information and communication order". This, they see, as being intimately linked to "the new international economic order". Some western commentators have tended to dismiss this initiative as an attempt by socialist countries and authoritarian developing countries to legitimize government control over media content, and no doubt there is a basis for this view but perhaps it's also more complicated than that. There are obviously some things which governments should not do - they should not, for example, interfere with freedom of the press. But there are certain things governments think they must do if their citizens are going to prosper and feel free.

As all of us are aware, UNESCO, has been trying to carve out for itself a leading role in promoting "a new world information and communication order". The UNESCO General Conference, which ended recently in Belgrade, expressed the view that the report of the MacBride Commission was a "valuable contribution to the study of information and communication problems". The Conference also launched an ambitious new international programme for the development of communication. The U.S. and Canada were elected to the 35 member State Intergovernmental Council which will co-ordinate the work of the new international programme.

Although neither the U.S. nor Canadian governments and private sectors would agree with all perceptions and recommendations in the MacBride report, it

is a tribute to the U.S. and Canadian members that so many western concepts ring through loud and clear. For example, the Soviet member had to dissociate himself from the recommendation that "censorship or arbitrary control of information should be abolished". And the proposal - that identity cards should be issued to foreign journalists to protect them in the exercise of their profession - was rejected since a number of members had a sneaking suspicion that any licensing system could be used to control, rather than facilitate, the activities of journalists.

These achievements, however modest, indicate that our efforts in the defense of important principles have not been wasted, and that we should continue to participate actively in the such programs. It is in our enlightened self interest to support action to assist developing countries to overcome any communication gaps that exist.

The orderly development of a healthy global information marketplace is essential for our continued prosperity. If we believe that freedom of expression and freedom of opportunity have assured our domestic prosperity, we should give these principles every chance to work in the global marketplace.

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NOTES FOR AN ADDRESS
BY THE MINISTER OF COMMUNICATIONS
THE HONOURABLE FRANCIS FOX
AT THE OFFICIAL OPENING OF THE INUKSHUK NETWORK
IN FROBISHER BAY
DECEMBER 1, 1980



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I am pleased to be present today at the Grand Opening of the Inukshuk network. I have followed with interest the progress of your experiment and am very impressed with what I have seen.

As the Minister of Communications, I am delighted and proud to see the results of so much work by you and the federal government. As you know, this project began as long ago as 1978. At that time, the Anik B satellite was launched and different groups were invited to use this new type of satellite. The Inuit Tapirisat answer was quick and enthusiastic. Shortly thereafter, David Simailak became project manager and the Inukshuk headquarters was set up in Baker Lake. Our working partnership had begun.

The federal government considers that it is most important for new groups of users such as yours to gain experience working with satellites. Our Anik B Communications Program includes different experiments all across our country. Perhaps nowhere in Canada will this technology be of greater use or of greater potential benefit than here in the North.

The Program began in April 1979 and was due to end in February of next year. I was pleased to announce recently that the Program has been extended for another 19 months. This means that the Inukshuk project will last until next May or June and hopefully by then, longer term solutions will have been identified.

The Inukshuk project itself will receive almost \$2 million directly from the Department of Indian and Northern Affairs to help pay the costs over three

years. The other Inuit satellite project by the Taqramiut Nipingat will receive close to \$1 million from the Department of Indian and Northern Affairs and the Department of Supply and Services. This is money well spent. I am confident that the Inukshuk project will be a very successful experiment. The sending of TV programs from Frobisher Bay to other communities and the opportunity for these communities to see and talk to each other via satellite are very important.

By allowing television to be produced for and by the Inuit in Inuktitut, it will assist northerners to communicate more easily. As well, many of your people are being trained in TV production and delivery and as community co-ordinators. I am impressed with the enthusiasm of the people working on the Inukshuk project in using satellite and television equipment to meet the special needs of the Inuit.

I am optimistic that within the not too distant future, we will see further steps taken to help meet Inuit television needs. This will come in February when the CRTC looks at applications for new radio and TV services on satellite for northern and underserved communities. The CRTC will be paying special attention to the television needs of the Inuit and other native peoples when they approve these new services. I am well aware of the problem which television represents in your lives -- the threat to the Inuit culture from southern television -- and of the great opportunity it could mean for your own TV programs to help not only protect but also to enhance your culture and your language. The need has never been greater than it is today. The opportunities are there too. As you are showing with the Inukshuk project, much can be

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achieved through joint co-operation of government, industry and the Inuit. On behalf of the Prime Minister and the government of Canada, I wish those involved in the Inukshuk project all the success you so richly deserve.

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FEDERAL-PROVINCIAL ROLES IN THE INFORMATION SOCIETY

NOTES FOR AN ADDRESS

BY PIERRE JUNEAU

DEPUTY MINISTER

DEPARTMENT OF COMMUNICATIONS

TO

THE GAMMA GROUP DELTA SEMINAR

ON FEDERAL-PROVINCIAL RELATIONS

MONTREAL, QUEBEC

THURSDAY, DECEMBER 11, 1980



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I have been asked to discuss my perception of the roles of the federal and provincial governments in communications. There are a number of ways to look at the question. For instance, if I were a newspaperman, I suppose I would be looking for issues to dramatize. For drama is the very stuff of journalism.

The press does seem to be looking for conflicts between the federal and provincial governments over such issues as cable jurisdiction, the introduction of Pay-TV, interprovincial telephone rates, terminal attachments and illegal earth stations.

And, of course, this perception has some basis in fact. It is true that jurisdictional issues have been raised in federal-provincial meetings, and progress has been slow. But to emphasize these issues constantly without mentioning our accomplishments creates a very unreal picture of our relationship. I won't cite the whole list, but I'd like to highlight some of the positive ways the federal and provincial governments have been cooperating in pursuit of some tangible goals.

Our most satisfying accomplishment must be the telecommunications system itself. It's a strange hybrid mix of federal and provincial controls, of private and state enterprise, of competition and monopoly, of old and new technologies, and of social, political and economic goals. But like many hybrids, it is hardy, strong and adaptable. And it works.

When it comes to practical, meaningful goals, our jurisdictional problems have usually been resolved in a shirt-sleeve atmosphere. We took several runs at the question of educational broadcasting, at the interface of our jurisdictions, but the answers were found, in the case of Ontario, Quebec and Alberta several years ago, and they work. And we're continuing to co-operate. More recently, TVOntario has been using federal transponders on Anik B to distribute part of its programming to 46 sites in Ontario that would not otherwise have

access. With the co-operation of the federal government, Anik B is transmitting La Sette, a daily selection of programming from the three French state television networks, to cable systems across Quebec and hopefully to the rest of Canada. These are ongoing applications, not experiments.

But experiments are very important. Most provinces face some real problems in delivering their social and educational services to their less inhabited regions. Telehealth satellite trials via the Department of Communications Anik B program are underway in Newfoundland, delivering medical services from Memorial University in St. John's to a group of remote outposts in Labrador. And patients in Thunder Bay are receiving psychiatric counselling from Toronto. In experiments such as these we are building a body of experience which will ultimately reduce the cost of government while increasing its effectiveness. More than 50 per cent of the approximately \$32 million cost of Anik B is directed to joint federal/provincial and related experiments.

Research growing out of long-standing federal interest in video imagery, in both defence and communications, has led to the development of Telidon, which also holds great promise for the delivery of government and other services. A host of field trials are underway, and in many of these, three-way co-operation is developing between federal and provincial governments and electronic and information companies in the private sector. The Manitoba Telephone System, for instance, is using some 30 Telidon terminals to offer direct and immediate access to data and information on market prices, feed costs and grain futures to some thirty thousand agricultural producers.

The list of interfaces effectively working between the federal and provincial governments reads like a section from the yellow pages of the telephone book, with headings such as research, services to the public, international and domestic spectrum management and technical standards. Individually, the groups have names like the Terminal Attachment Program Advisory Committee or the Clearinghouse on Regulatory Decisions, but collectively they suggest a rich, pragmatic working relationship. And though they may not make headlines, they

have helped create a good working infrastructure, in tune with the times and our distinctive geography and demography.

For the past decade, Harvard University has undertaken a large, seminal program on information resources, not unlike the Gamma program, but on a somewhat larger scale. Part of their program attempts to locate the United States in a global framework, and has led them to evaluate communications infrastructures in other parts of the world. Their conclusions about the Canadian system fill two recent volumes by Oswald Ganley. "Canada's domestic satellite system," he says, "is considered the best in the world. Canadians are still leaders in the application of satellite communications." "Canada (he goes on to say) has one of the best developed and most modern telephone systems in the world." "They are also in the forefront of new approaches to interactive television and are well along in a rather extensive demonstration project in fiber optics (in Saskatchewan). Canada is probably the most 'wired' society in the world, and has made phenomenal progress in the introduction of cable TV into the homes of its people." "Internationally, Canada is quite influential in multilateral bodies. Canada's strength here lies in its leadership as an applications innovator and user." "Canada is probably exceptional in the world community in that it has been the first country to recognize the full range of connections among the various communications and information resources across the full spectrum..."

As I say, there are many perceptions of what is going on in communications in Canada. But if I were a theatre producer, and we got reviews like that in The New York Times, I'd feel pretty confident we'd be in for a nice long run.

But, I think there's a far more complex perceptual problem before us in trying to understand federal provincial relations. And it has to do with where we are in our moment of history. We are coming to the end of a two-century old economic system, based on the productivity gains associated with the division of labor and the use of industrial machines for the making of tangible products. Using land, capital, labor, energy and resources, we have transformed an

agricultural society into one where hundreds of millions of people live better than all but the richest of their pre-industrial ancestors. Most of our institutions, our educational system, our culture, our political structures, our transportation infrastructure, our working patterns, our intuitions and common sense have been formed by the industrial revolution. And now suddenly, almost before our eyes, it is being superseded by a new society, operating on different principles which we have yet to fully appreciate. We are changing the way we work, the way we transmit knowledge, the way we distribute wealth (or whatever money we may have), the way we spend our leisure, the way we organize our institutions, the way we communicate. We are making a new society, an information society, and for a host of reasons -- economic, our small population and vast territory, our proximity and similarity to the U.S. -- we find ourselves on the frontier of this new society, with no maps or rule books to guide us. We can't really turn to the British or the French to help us, or the Americans or the Japanese. We are going to have to figure these things out for ourselves. That holds great peril, but it also holds out great opportunities and, as Oswald Ganley tells us, we're off to a flying start.

I thought that a useful contribution to this discussion of the practical problems before us at the federal and provincial levels would be to share my perception of the information society with you, to describe a few of its more significant characteristics, pinpoint some trends, and from this perspective, re-examine one or two of our goals.

One characteristic of information, which makes writing the rule book difficult, is its transformability. A song, for instance, may be sliced into digital bits and multiplexed down the same wave-guide or up the same satellite half-channel as a movie, a book, a business letter, an electrocardiogram, a seismograph and the stock market tables, just as on the cultural plane, a play may become a musical comedy, then be turned into a movie, from which a book may be derived.

This leads to another characteristic of information: it is instant. It is unrestrained by distance. It is global. Because it moves with so little energy, and so much speed, and at such a small cost, it may be marketed everywhere simultaneously. And since the cost of one more user is infinitesimal, the people who are creating information for the global marketplace are competing with local purveyors with very limited resources through a multichanneled infrastructure that is increasingly difficult to control. Regulation will become increasingly complex and burdensome, stimulation increasingly necessary, world standards increasingly required.

In addition, information is altering our idea of economies of scale, of mass production. As production machinery is equipped with "smarts", it is increasingly able to individualize its output, and provide me with a car or a camera with my options, features, measurements and colors, at more or less the same price as a standard model. The same holds true with information products, of course. There is no reason why the electronic newspaper or magazine of the future should not be custom-tailored to my personal or family needs.

Information is power, it used to be said. That power was in the hands of the few. In the information society, that power is diffusing rapidly downward throughout society. Now it would be more true to say that information is influence, persuading others to buy our products, or take their holidays here, or stop poisoning our rivers or whatever. We can say that information is wealth, a factor of production, increasing output, reducing costs, making work easier and more enjoyable. And as the prices and returns escalate for cultural products in the global marketplace, millions for a painting, tens of millions for a phonograph record, hundreds of millions for a movie, we can see that artists are making substantial contributions to the balance of payments between nations. We must also recognize that information is jobs. Good jobs. Some of the best and most rewarding in the world. High technology industries -- for the most part, the design and manufacture of information machines -- have been generally credited with higher growth in exports, in productivity and, most important, in employment than any other sector of the economy except perhaps energy and

related areas. The demand for people with skills in computing, microelectronics, and so forth far exceeds the supply.

Given the rapidly growing economic importance of the information component of the economy, and fast-paced evolution of the rules by which the game is played, I would suggest a primary goal for us all is to develop and maintain a creative understanding of the information society as it unfolds, and as a corollary, to be quick in identifying and exploiting the new challenges it offers.

Another important goal of the information society is the creation of a powerful high-technology sector, able to hold its own in the global marketplace, maintain or improve the balance of trade, create wealth and jobs. Not only will the new information machines and systems provide the basis of new industrial growth, but more importantly, their application throughout the business community will help all our firms increase productivity and hence their competitive position.

But all of these goals, however desirable, would be incomplete and meaningless, if we were merely to have created the electronic highways for other producers to march their electronic products into our homes and offices. Sruki Switzer, a leading architect of cable systems, told world futurists last summer, "I'm just the plumber who puts these pipes together, and I don't care what people flush down them." Of course, that's his job. But it's our job to see that the content of our information systems is as good, attractive and Canadian as possible. Not just for political reasons, prestige, unity, pride; not just for cultural reasons, to maintain our identity, languages, cultural traditions; but also because in the society which is evolving, the creative content of products and services is increasingly what people buy and sell, the very stuff of commerce and trade. What was peripheral is becoming central. What was elitist is becoming universal. And as it moves to the core of our work lives, as it further penetrates our expanding leisure, as the information society evolves, its cultural role will greatly expand. Thus, in my view, our most urgent and important goal is the building of an attractive software

industry, using this term in the widest sense, to include the content of our information systems, the programming of our information machines and the design of all that we produce; in short, the output of our creative community. I believe that we have a unique opportunity to play a leading world role in the development of creative information content, and to enjoy the many rich and varied rewards of such a role.

The first creative group that springs to mind includes artists of all kinds, those who write, edit and illustrate our books, magazines and newspapers, and create information for our data banks and videotex systems; and those who compose, write, direct, perform, edit and otherwise produce our phonograph records, films, television and radio programs; in short, those who provide the domestic content of our cultural and educational systems.

Preliminary estimates of the Canadian audio-visual production industry identifies 1978 production at slightly over half a billion dollars (\$530 million, to be more precise). Add the record industry's production, adjust for growth and inflation to 1980, and the total will approach three quarters of a billion dollars. Double this to include the Canadian creative component of the print sector, and we are talking of one and a half billion dollars, or slightly less than 20 per cent of the total expenditures on cultural industries.

The second major group of creators could come under the heading of designers, and would include architects, industrial designers, commercial artists, those who create our clothing, fashion, ornaments, toys, jewelry and who develop our night clubs, discos and cultural parks and remake our historical sites. Very little work has yet been done to identify the size and importance of the design community, but if we assume our industrial sector to be 20 per cent of GNP, some \$50-\$60 billion this year, and the design component to be three to five per cent of this, then we are talking of \$2-\$3 billion in 1980, and it would suggest employment levels of 50-75,000 designers, couturiers, architects and so forth.

The third group of creators are those who design the way our information machines operate; the programmers, the systems designers, the software architects. This is the most rapidly growing group within the creative community. Indeed, they are the artists or the creators of this new information age. They represent some 40 per cent of the computer industry, number close to 80,000 souls and represent a payroll of some \$1.5 billion dollars in 1980. They consume a further \$1.5 billion in computer utilization in the course of their work, and an equal sum in administrative support and other overhead.

By including just these three major groups of creators, we have roughly accounted for \$8-\$9 billion, some three per cent of GNP, and something more than 200,000 jobs, or about two per cent of the employed.

Striking though these figures may be, they are too low. We are importing far more creative content, or exporting more creative jobs, than we need to, and though this trend is slowing, Canadian creators too often have had to leave the country to find work. Certainly the answer is not merely one of creating more Canadian content, through subsidy or regulation. Unfortunately not enough of what we have created through these measures has appealed to domestic audiences, and can't be sold abroad. In fact, a number of trends can be seen in the marketplace, and they must be explored if we are to find ways to develop creative industries.

The first and most obvious market trend is to world class quality cultural or information products. Money is of course no guarantee of quality, but the use of first rate talent, with sufficient budgets and time to do their jobs, and access to the best materials, with the appropriate market research and thorough marketing, have created recognizable world standards throughout the various creative sectors. Faced with abundant choice, the Canadian public has quite understandably refused to accept less.

Along with the growth of world class standards is the development of global markets. While some elitists complain this has resulted in a lowest-common-denominator creative mentality, a point which is not always valid, it is also leading to a wider variety of sources, distinctive products, both industrial and informational. Canadians now can see, for instance, television programs from France distributed here via Anik B satellite and their cable companies, material from various regions of the United States and from Britain on educational television, and children's programming from Japan.

This is coupled with a third trend, which Northrop Frye has called a thrust to regionalism, where cities, or parts of a country, proclaim their personality to the outside world. Nashville, Liverpool, Detroit and Jamaica have created their own brands of music. Stratford, Ontario, and Niagara-on-the-Lake have shown that smallness is no barrier to excellence. There is a Vancouver style of art, and a flair in Montreal films, songs and disco that is instantly recognizable. These are the roots which nurture the otherwise sterile superculture. And to aim at global markets without developing and nourishing these roots is quite simply vain, foolish and doomed.

Two other trends of the information society are those to specialized markets, identified particularly in the publications field but also in broadcasting and design, and to individualized information products, made possible by the computer programmers.

Given these trends, it would seem that the policies of governments in the creative sector must turn increasingly toward the attainment of world class quality products, and to the skillful balance and appropriate nourishment of individual, regional, national and global streams. Because of the smallness of our domestic market, we must put increasing effort into reaching a world market to finance the quality we are seeking, but we must do this without losing our soul in the process. We must put a strong emphasis on research and development through the arts, and through encouragement of the creative community in all

parts of the country, so that regional spices may flavor the national and global soups, and spice up their appeal.

I also believe there should be a greater interface between the cultural industries, the programmers and the designers. One of the reasons the arts and culture branch of Secretary of State was transferred to the Department of Communications was to ensure this cross fertilization, so that the artists would become more aware of the technological opportunities before them, and the carriers would become more appreciative of their *raison d'être*. As the trend to individualization of industrial products grows, the need for computer-assisted design will grow, removing us from the control of the foreign headquarters, giving us greater responsibility and allowing us to put a distinctive face on things. It is also clear that the computer will play an increasing role in the content of our media, and that research into visual imagery, into computerized text, is essential if we are to develop a world lead in the new media. Our Telidon project, for instance, has exposed our need for greatly increased capability in data bank creation.

We need more programmers. The shortage is global. Everywhere, growth of the electronics sector is throttled by the need for programmers. Mitel, one of the most rapidly growing new employers, has been forced to curtail its growth plans for lack of programmers. Corporations cannot modernize their structures because the programmers are not there. Most of the new jobs created by the microprocessor are in the programming of chips to create specialized products.

Canadian programming is very good. We are selling it abroad in the form of new products, such as those of Mitel, AES and Northern Telecom. We are selling it in the form of expertise, as in the Bell Canada billion dollar Saudi Arabia contract. We are exporting it in the form of computer cycles through our service bureaux, such as I.P. Sharp and Datacrown. And we are selling it as pre-packaged programs, as Systemhouse has shown. Quality is not the basic problem. It is growth, quantity, training, retraining.

We need more marketing skills. Walter Light, in a recent address, gently reminded us that Canadians are less aware of the need for marketing skills and information than our competitors. Put simply, if we are to sell more information products, we must know more about what people want, and what they think about what they are getting. And if our own markets are too small to support the world quality products we want to make, then we must know about global markets. Governments must be expected to encourage these marketing efforts, if small companies are to grow into bigger ones.

We need to restructure our information distribution systems. Domestic distributors, forced to compete with transnational corporations, are in a deteriorating position. Canadian producers are increasingly reluctant to entrust their products to them. The bold course would be to encourage the growth or formation of Canadian-based world distribution ventures, either in co-operation with other nations in similar situations, or on our own. If we could exploit our understanding of the vast English-speaking North American market, as well as our non-threatening posture abroad, and our skill in the development of communications networks, then the Canadian information distribution community could be turned into a strong component of a powerful Canadian information industry. The experience of Harlequin, K-Tel, I.P. Sharp and Datacrown shows the capability is there.

We need greater awareness. We need bankers who understand the new markets, and are prepared to carry their share, we need educators who are prepared to fight to modernize their curricula, get the computers into the classroom, and develop domestic texts, programs and audio-visual materials. We need entrepreneurs who understand, or sense, the opportunities the new information society provides, and financiers and brokers to back them. We need artists who can feel what is happening, and translate it into the new media without fear of the new technology. We need a public which is sure of itself, ready to try new things, and not unwilling to trust Canadian creators to provide them. We need governments who can set these trends, stimulate growth, reduce regulation lag to the

minimum, make it flexible, appreciate risks, consider options, make decisions and follow them through with courage.

We must specialize. Clearly given our modest internal market, our limited manpower resources, our capital restrictions, we cannot and probably should not undertake to develop our own mainframe computers. In areas where we have specialized, developed world class products or services and marketed them globally, we have done very well. AES word processors and Harlequin Books are but two of a rapidly growing list of products which have found their global niche.

As our awareness of the information society matures, these strategies and objectives which I have just outlined will no doubt mature into programs, initiatives, and activities at various levels of government and throughout the private sector. And their combined efforts will be required, particularly with regard to the development of national and global markets, projects requiring extensive long term research and development, international agreements, and so forth. I emphasize that no one has a corner on wisdom or good ideas, and our strength in the past has been our flexibility and pragmatism and our boldness in tackling new ventures and exploring new territory in this new economic world.

In many areas, initiatives will have to come from the provinces. Education, for instance, is clearly a provincial responsibility. No one, not even the far-sighted Californians, foresaw the tremendous need for computer-trained manpower which Silicon Valley has created. But the need is now clear. The situation is now urgent. Our national prosperity depends on breaking the bottleneck created by the shortage of information personnel.

There are several education-related fields, where strengthened provincial initiatives could dovetail and contribute to Canadian objectives. If the provinces would raise their requirements for domestic investment in text books, federal and provincial programs in aid of publishing would be more effective. Similarly, if the provincial education departments would increase their demand

for and production of Canadian audio-visual materials, at the expense of American material whose only advantage is frequently skilled marketing, then our film industry development programs could become more deeply rooted and more broadly based.

Other areas open for discussion and coordination are the federal and provincial taxation and incentive plans, which have occasionally been self-defeating. Taxation on advertising, for instance, is taking money from the television program production industry. And I feel there is room for co-ordination of incentives in the film industry.

The tasks that I have described are considerable. In my view, the challenge is one that will consume all our resources, and energy, and manpower, at all levels of government. I believe we're off to a running start, that we will be able to exploit our strengths and our headstart, our special entree to the giant American market, our non-threatening posture abroad, and our linguistic skill, to create a prosperous and enviable information society within this country, and to make a distinctive contribution to that of the rest of the world.

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NOTES FOR AN ADDRESS BY
MINISTER OF COMMUNICATIONS
FRANCIS FOX
TO THE
FINANCIAL POST CONFERENCE ON
THE REGULATORY WORLD

TORONTO, DECEMBER 12, 1980



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I am very pleased to have been asked to participate in this conference on "The Regulatory World". As Minister of Communications, I am responsible for the administration of regulations which affect nearly every aspect of communications in Canada today. New technologies are transforming our communications environment and eroding the premises upon which many of our regulations rest. Conferences such as this one give us all -- you, me and those in my department -- the opportunity to subject our regulatory philosophies to the scrutiny they demand in times like these.

The topic for today's session is "Deregulation: Doing More by Doing Less". A few of you may feel that this is a strange subject to be addressed by someone from Ottawa, the home of all those bureaucrats and politicians who bedevil your working lives.

Of course, we have nothing on the ancient Chinese who invented both bureaucracy and mandarins. They populated their heaven with gods who had precisely defined bureaucratic functions. They spent most of their time passing memos up and down the heavenly hierarchy. I'm not sure whether they had efficiency studies and performance appraisal in this Chinese paradise. But it's quite possible they needed them. The heavenly clerical work was all carried out by the souls of the dead, a group generally regarded as not having much initiative.

Now, we all know that there is no similarity between Ottawa and this ancient Chinese paradise. But we have mandarins. And we have lots of regulations.

Regulatory reform is a hot issue these days. The federal government has engaged in a considerable amount of regulatory soul searching during the last

few years. The Lambert Commission spent some time on regulatory issues in its report aimed at ensuring that taxpayers got real value for public dollars spent. The Economic Council of Canada has initiated a whole series of studies on government regulations as they apply to particular industries. And, the Parliamentary Committee on Regulatory Reform is at present conducting a thorough review of the impact of government regulations.

There is a natural and philosophical appeal, especially among the business community, to the idea of deregulation, less government, and a simpler, less burdensome environment. And I agree that the move to deregulation has been a breath of fresh air in many cases. But deregulation is a difficult concept to pin down. For we soon discover that it means quite different things to different groups. I think it's fair to say, and I don't mean to be in any way derogatory, that an industry will tend to favour deregulation when it is in their own interest. This is quite natural.

The government, on the other hand, should be looking at the issue of regulatory reform in terms of the public interest.

In many cases, regulations are all that stand in the way of anarchy. In other instances, regulations are seen to be cumbersome, outdated and restrictive. Other regulations are intended to curb monopoly power, and in many cases these too are under challenge where competition is a viable alternative.

There are times when deregulation may be appropriate, others when it may be disastrous. So instead of lining up on one side or the other of the regulation-deregulation debate, I believe it is more appropriate for me to talk about regulatory reform. The first step towards regulatory reform is to be very clear as to what we want to achieve -- what our objectives are -- and then be flexible enough to create the appropriate kind and level of regulation. Under this umbrella, there are six main points that I would like to emphasize.

First, while we can learn valuable lessons from the experience of other countries, including the United States, regulatory reform in Canada must ultimately be tailored to Canadian needs.

In many instances deregulation has been a liberating and creative force south of the border. It has opened up to competition areas that were seen to be stagnating under the umbrella of one regulated monopoly or other. Clearly, the free market can in many situations encourage a much more efficient allocation of goods and services than is possible in a regulated environment.

Still, despite these initiatives, there is considerable discussion and some doubt about the present trend to deregulation. For example, there have been reports that deregulation in the airline industry has resulted in cream-skimming by smaller carriers and a sharp reduction in service to members of the public living in less lucrative areas. As John Kenneth Galbraith said in a recent speech in Montreal: "We must accept that in all industries such as ... (airlines), regulation can be good or bad, burdensome or less so, but it cannot

be avoided". The free market also failed to prevent the Love Canal tragedy or the recently reported dumping of the deadly chemical, dioxyn, into the Great Lakes. Clearly, there are occasions when, even in America, Adam Smith's invisible hand is all thumbs.

Nowhere has the impulse to deregulate been stronger than in telecommunications. And several critics have complained about the resulting uncertainty and confusion. One of these critics, Joseph R. Fogarty, a member of the U.S. Federal Communications Commission, said recently: "In light of this uncertainty, it is not unfair to say that the Commission took a huge leap before it looked where it was going."

Still, deregulation in the U.S. has had its successes, although the final verdict is still not in. In applying the lessons of the U.S. experience, we must keep in mind that Canadian conditions are very different. We have one tenth of the U.S. population scattered across a larger land area. We have our own distinctive structures, institutions and cultures. And our own particular needs. Any decision to regulate or deregulate, to reform or retain existing regulations must be made in Canada and reflect Canadian needs, Canadian priorities and Canadian objectives.

Recognition of this fact brings me to my second point. There is in many cases an undisputed need for regulation. My own area of communications contains many sectors where there is no simple or single alternative to regulation.

Take, for example, the electromagnetic spectrum, the electronic highway along which modern communications travel. At present, thousands of signals fill the air-waves. Even with our present technology, there is a finite limit to the number of frequencies available for communications. And, in our cities, this narrow electronic highway is becoming increasingly congested. So there is a need for an electronic traffic cop.

Regulation of the spectrum under the Radio Act provides the rules of the road. Without it, there would be enough electronic chaos to make a rush hour drive on the Gardner Expressway in freezing rain seem like a relaxed Sunday ramble in the country.

Telecommunications is also an area which has tended to be characterized by natural monopolies. In some situations, the public interest is best served by granting a legal monopoly to one company. But it is necessary to ensure that the activities of this company are then regulated in order to ensure that the quality of service is adequate, that rates are just, reasonable and non-discriminatory, and that investors in the company receive a fair rate of return.

Communications satellites are another example. There are only a limited number of orbital parking spaces and radio frequencies available for satellite communications. Yet there are competing demands by many companies and even countries, both developed and developing, who want their own communications satellites. Only international agreements wedded to domestic regulatory policy can assure fair access to the benefits of communications satellite technology.

Even terrestrial communications has international overtones, since radio-waves, like fish and migrating birds, know no boundaries. In 1979, Canada sent an industry-government delegation to the World Administrative Radio Conference of the International Telecommunications Union. More than 2,000 delegates and observers from 132 countries attended the conference to allocate radio frequency bands around the world. The resulting international agreements are binding. They require us to regulate spectrum use in Canada so that it is in line with this international environment.

Though my department cannot escape the need to regulate, we recognize that regulation must be enlightened. And this brings me to my third point. Good regulation requires the fullest consultation among regulators, the regulated, users, manufacturers and the public at large. In short, you can't regulate in a vacuum. Proposed regulations must be discussed, debated and argued over in as many forums as possible if the final product is to be even minimally useful.

The Department of Communications has a good track record of consulting with industry and consumers. Each proposed regulatory change is first published in the Canada Gazette and comments are invited. The department conducts user surveys, symposia and special meetings to inform the public of significant spectrum policy issues. Its officials participate on a regular basis in the meetings of industry associations. It has set up a wide range of joint committees with the provinces and industry, such as the Terminal Attachement

Program Advisory Committee and the Government-Industry Working Group on the World Administrative Radio Conference.

Of course, all this consultation would do little good if we didn't regularly review regulations. So my fourth point is that: Good regulatory reform requires that regulations be continually reviewed and updated to ensure they still meet objectives in changing environments. In short, flexibility, and a touch of self-doubt, are virtues in a regulator.

To the Department of Communications, regulatory review is an on-going preoccupation. Two recent examples come to mind.

One is the review of our microwave system licensing policy which I announced less than two weeks ago. The need for such a review arose when the CRTC approved intercity distribution of special TV programming, such as children's programming, proceedings of the Ontario Legislature and TV repeat broadcasts by cable companies in a number of Ontario communities. Such new and imaginative services deserve as wide a distribution as possible, and my department will be reviewing whether additional spectrum should be made available for this purpose. In my announcement, I also asked for comment from both industry and the public on this proposal.

The department has also been continually reviewing its radio licensing policies for satellite earth stations. In February 1979, the findings of one such review were published and the regulations changed to allow broadcasters,

cable companies and common carriers to own television-receive earth terminals. After further consultations with industry and the public, I announced just last month another significant change to the existing licensing procedures for earth stations. The time required to license a TV dish will be cut from up to 18 months to no more than 90 days in cases where no radio interference protection is requested. I also set in motion a more general review of satellite earth station policy to try and identify ways in which licensing might be even further simplified. At the same time, I announced that provincial educational agencies and authorities could also apply for receive earth station licenses. This liberalization of licensing policy has been largely a response to the potential of satellite technology to bring at least a basic television service to all Canadians, especially those living in remote and underserved areas.

You may be aware of recent enforcement actions by the Department of Communications against a number of television earth station operators who have recently begun distributing US satellite TV in apartment complexes and hotels. These operators have proceeded without obtaining the necessary authority from the Department of Communications or the CRTC, as required under the Radio Act and the Broadcasting Act. To dispel any confusion that might exist arising out of recent press reports, let me make clear again that the department has always considered these earth stations as radio apparatus requiring a license and in some cases a technical certificate, under Section 3(1) of the Radio Act. No exceptions to these requirements have been allowed to date, and over 150 earth stations have been licensed by my Department. The CRTC, for its part, requires

under the Broadcasting Act that broadcast undertakings (including operators in hotels and apartments) seek its permission to distribute signals. Exemptions from these licensing requirements have been granted by the Commission in apartment complexes or hotels only where no microwave or satellite reception was involved and where the operator provided only off air television signals for residents of a building.

I also want to emphasize why I think this particular regulation is important. The unrestricted importation of the 25 or more channels of American satellite television into major Canadian markets would seriously undermine the financial foundations of the Canadian broadcasting system. As I indicated in my speech of October 21 to the Broadcast Executives Society, Canadians have a wider choice of domestic and foreign TV programming than any other country in the world. Given the power of television, I doubt that our national identity would long survive in the absence of a strongy Canadian broadcasting system, a kind of broadcasting system that was envisaged by Parliament when it unanimously passed the Broadcasting Act in 1968. Already, the system has been weakened by the competition of American program producers who have the resources to spend \$10 for every one spent by their Canadian counterparts. As we find new sources of support for Canadian program producers and as more Canadian satellite channels become available, there may be room for more flexibility. But, right now the health of the Canadian broadcasting system and the public interest demand a firm approach. The department has not licensed or certified any earth station used for reception of signals directly from US satellites. Similarly the US have

refused to license earth stations for reception of signals directly from Canadian satellites, in accordance with the 1972 exchange of letters between our two countries and the Intelsat agreement. The FCC, for its part, has ruled that TV satellite signals are point-to-point communications, and regulates them accordingly.

The earth station policy review which I announced on November 24 called for submissions to be made within 90 days. In the light of these submissions we will review our current approach to the licensing of earth stations and determine what changes may be required including new regulation.

In the past, regulation has been a means of curbing monopoly power, which brings me to my fifth point. Regulatory reform should recognize the role of competition. In the area of communications, this may be particularly true, given that new technology is opening up new opportunities which can best be exploited in a free market.

In Canada, we have long recognized this fact. In 1953, the federal government allowed CNCP Telecommunications and the TransCanada Telephone System to set up competing microwave relay systems. In 1962, CNCP was permitted to set up a nationwide microwave system in competition with TCTS. And, just last year, the federal government upheld the CRTC decision to allow CNCP to interconnect its facilities and services with Bell Canada's network in Ontario and Quebec. I believe that this last decision will, by injecting more competition into the burgeoning field of data communications, assure cheap, efficient and imaginative

services for Canadian businesses. And it will accomplish this without raising the average Canadian's phone bill.

We are also encouraging competition in the area of communications terminals, which include everything from extension phones to the most sophisticated data terminals and communicating word processors found in the futuristic offices of large corporations. Since 1974, my department has operated a Terminal Attachment Program in close co-operation with federally-regulated carriers, some provinces, manufacturers and users. But we are also aware that the integrity of the networks requires that these terminal devices meet Canada-wide standards. In the last few years, we have certified data devices, as well as answering machines and similar devices, for attachment to carrier networks. Meanwhile, the CRTC in the last few months liberalized on an interim basis the rules for attaching extension phones to the Bell network. Full public hearings on the issue will take place next year.

You will have noticed that, in the areas of both terminal attachment and network interconnection, the CRTC has played a key role in determining the mix of competition and regulation in our communications system. The Commission is also grappling with such momentous and complex issues as the introduction of Pay-TV and the extension of basic television service to the underserved parts of Canada. And this brings me to my final point.

Because of the greater complexity of modern institutions and processes, there is a more imperative need than in the past for clear definitions of the

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STATEMENT BY
MINISTER OF COMMUNICATIONS
FRANCIS FOX
IN RESPECT OF PETITIONS TO THE GOVERNOR IN COUNCIL
TO VARY CRTC TELECOM DECISION 80-14
GRANTING BELL CANADA A RATE INCREASE, AND
THE REGULATORY TREATMENT OF PROFITS FROM BELL'S CONTRACT WITH
THE KINGDOM OF SAUDI ARABIA

OTTAWA, FEBRUARY 3, 1981



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On August 12, 1980, the CRTC issued its Decision 80-14 in which it allowed Bell Canada to increase basic rates for both residential and business services. Also approved were Bell's proposal for increased long distance rates, and an increase in pay telephone charges. In addition, the CRTC ruled that all profits from Bell's Saudi Arabian project would be considered as regulated revenues. Following the CRTC Decision, the Governor in Council received petitions proposing that the Decision be varied.

The Governor in Council, pursuant to sub-section 64(1) of the National Transportation Act, having considered all petitions received with respect to Telecom Decision CRTC 80-14, has decided not to vary or rescind the CRTC decision of August 12, 1980.

In making the announcement, I wish to draw attention to a number of factors which were considered by the Governor in Council in arriving at the decision. All the issues raised by the petitions were considered by the CRTC during the public hearing. The last general rate increase granted Bell by the CRTC took place in August 1978. The increases granted are less than those requested by Bell and are intended to maintain a rate of return on equity of 12 per cent, the same rate as the Commission approved for Bell in 1977 and 1978. These are required if Bell Canada is to continue its service obligations, including a \$1.2 billion construction budget for 1981.

In arriving at the decision, the Governor in Council gave particular attention to a concern expressed by several parties. This concern was that the Commission's decision to include in regulated revenues the profits from Bell Canada's contract with Saudi Arabia removed a significant incentive for Bell to seek out foreign contracts.

The Bell Canada contract with the Kingdom of Saudi Arabia provides for the operation and maintenance of the telephone system in Saudi Arabia, for the construction of certain facilities and for the procurement of specific materials and supplies. It will bring an additional \$1.1 billion in revenue to Bell with total profits estimated at \$165 million over five years.

In its decision, the CRTC recognized, the "need to develop incentives to encourage the development and export of Canadian expertise and technology, and to do so in a manner which is fair to the Company's subscribers, shareholders and the country." Accordingly, the Government welcomes the CRTC's intention to hold a separate hearing on the question of the regulatory treatment of ventures like the Saudi Arabian contract.

The Government recognizes the need for incentives whereby Bell Canada and other federally-regulated carriers will be encouraged to market Canadian expertise and technology abroad. The Government hopes that this hearing will be held as soon as possible.

The Governor in Council has also decided not to vary or rescind the earlier and related CRTC Decisions of 1978 and 1979 on this issue. Because the profits earned by Bell from the Saudi Arabian contract in 1978 and 1979 have already been included in regulated revenues, there is no practical alternative available to the Governor in Council except to allow the CRTC Decisions to stand.

Bell Canada is to be commended for its initiative in opening up new international business. The Government strongly supports trade initiatives of the kind undertaken by Bell in Saudi Arabia which contribute significantly to our country's industrial and economic objectives and which benefit all Canadians. It is the Government's hope that the early development by the CRTC of clear regulatory guidelines for the treatment of profits from foreign ventures of this kind will encourage other Canadian companies to follow suit.

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NOTES FOR REMARKS
BY THE MINISTER OF COMMUNICATIONS
THE HONOURABLE FRANCIS FOX
ON THE AUGMENTED TELIDON PROGRAM
OTTAWA, ONTARIO
FEBRUARY 6, 1981



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Good morning, ladies and gentlemen. I have good news to announce today. The federal government has decided to make a major increase of twenty-seven and a half million dollars to its Telidon program.

This money will be spent over the next two years and is intended to assure the existence of a commercially viable videotex industry in Canada with a capability to compete in export markets.

With this announcement, let there be no mistake by anyone about the federal government's enthusiastic commitment to Telidon. We are convinced that it is quite simply the best videotex system in the world. Canadian industry has shown its agreement by already having committed more than four times as much as the government and we expect their level of commitment to increase even more. The presence here today of representatives of the principal industries involved with Telidon is an indication of their support and commitment to these new initiatives.

Telidon has made some impressive achievements since it was announced in August 1978. At that time, some Canadian organizations were nibbling on videotex systems similar to or provided by our European competitors. Since then, they have switched solidly behind Telidon. Two and a half years ago, our technology was little more than a laboratory curiosity. Since then, more than a dozen field trials and pilot projects -- involving broadcasters, telephone companies, cable operators, manufacturers and a host of information providers-- have been announced. Among organizations involved in field trials are Bell Canada, the Manitoba Telephone System, TV Ontario, Videotron of Montreal and others. Foreign sales have been made and more are pending.

Since 1978, we have seen five Canadian companies develop and start the manufacture of a basic range of Telidon hardware and software. As well, Telidon has attracted more than 40 potential information providers.

One of our major objectives was to ensure that Telidon was incorporated in any world videotex standards. Three months ago, in November 1980, the Telidon technology was accepted as one of three world videotex standards by the International Telegraph and Telephone Consultative Committee.

These accomplishments have been made with a federal commitment of about \$12.6 million since our original announcement. Now with this latest injection of funds, we expect to capture not only the Canadian market but also a significant slice of foreign markets. We have the best videotex in the world, we have dedicated people and now we have a major increase in resources. I especially wish to express my gratification for the enthusiastic support given by my cabinet colleagues and by the Departments of Industry, Trade and Commerce, External Affairs and the Ministry of State for Science and Technology. I also wish to pay tribute to the commitment of my colleagues to the program and to the use by government itself of Telidon technology. To build on Telidon successes, the government will be using the augmented funding for these purposes:

-- The manufacture of about 6,000 Telidon terminals in the next year to be loaned to industrial concerns for start of operational systems or conduct of market trials, subject to their purchase of at least an equal number and to the advantages offered in their proposals for employment of the terminals;

-- Product research and development to further develop the Telidon technology, reduce the price and expand the capabilities. Examples include completion of the development of the VLSI (very large scale integrated) low cost

terminals, captioning for the deaf adaptors, person-to-person communications hardware and improved software;

-- Up front support for certain important national and international Telidon systems, including a national broadcast teletext service in both languages;

-- Support for market development and standards;

-- Support for public interest initiatives to permit disadvantaged groups lacking resources -- minorities, disabled, consumers -- to exploit the Telidon potential as a communications medium.

We believe that Telidon will be a key piece in the vast new information industries of multi-billion dollar scale providing thousands of knowledge-intensive jobs in Canada. The alternative to this financial commitment is the export of jobs, lost opportunities and a huge balance of trade deficit. This alternative is unthinkable and we have rejected it.

With today's announcement, we will be strengthening our electronics industry and assisting in the creation of new service industry with high potential trade development. I also intend to seek cooperation on the part of the provinces in this exciting venture. This new commitment by the Canadian government and the commitments that will be forthcoming from Canadian industry should signal to all that Telidon is the videotex to watch.

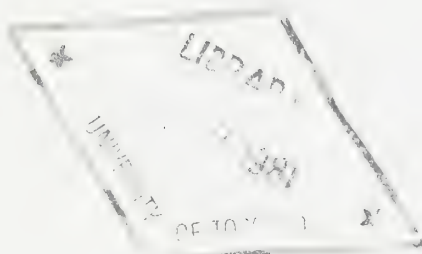
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COMMUNICATIONS:

CORNERSTONE OF

INTERNATIONAL RELATIONS

NOTES FOR AN ADDRESS
BY THE
HONOURABLE FRANCIS FOX,
MINISTER OF COMMUNICATIONS,
AT THE OPENING SESSION
OF THE XIVth ANNUAL
CONFERENCE OF THE
INTERNATIONAL RELATIONS CLUB,
UNIVERSITY OF MONTREAL,
FRIDAY, MARCH 6, 1981



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As a proud graduate of this University, I am aware, through personal experience, of the impressive tradition of the International Relations Club in involving the intellectual community in the consideration of crucial international issues.

Many members of the Club have gone on to make valuable contributions to the international relations of our country, such as Ambassador d'Iberville Fortier, the Founding President, who is here with us from his posting in Brussels, and Doctor Nicolas Mateesco-Matte, Director of the McGill Institute of Air and Space Law, whose 30th anniversary with the Club we are celebrating, as well as Messrs Pierre Charpentier and Paul-André Crépeau who were founding members.

As the Minister of Communications, I am pleased that the general theme of this year's XIVth Annual Conference is "Communications and International Relations". Communications is currently one of the most dynamic areas of international relations, and one in which I would venture to say, although I may not be regarded as the most objective observer, Canada is particularly influential.

To set the scene for this Annual Conference, I have been asked to share with you my views on the international environment affecting communications and of some of the new themes which are emerging. I must confide in you that it was the organizers of the Conference, and not I, who chose the title for my presentation - "Communications: Cornerstone of International Relations" - although I admit that it has a nice solemn ring to it. Let me start by defining briefly how I interpret the terms "communications" and "cornerstone".

When I use the term "communications", I am not referring to interpersonal conversations, or diplomatic communications, as important as these are in international relations. I am, rather, talking about the technical means of transmission, that is the "hardware", and also the "message" or content that is being transmitted, that is the "software". This "software" is, in fact, information which can be packaged in a great variety of formats, such as television programs, films, records, or specialized data flows. We can thank the late Marshall McLuhan for making everyone aware of the powerful impact of the "medium" on the "message". It is clear that effective communications policies must reflect the realities of this inter-relationship. This is why the federal government took the step last summer of placing under one roof federal responsibilities for both communications and arts and culture.

What is a "cornerstone"? Having consulted a number of dictionaries, including an architectural one, I would say that in popular usage "cornerstone" is usually understood to mean "keystone", that is the stone which, if removed, causes the structure to collapse. I find this a particularly apt analogy since, in the communications field, we are always referring to the communications infrastructure of Canada, and the information which is flowing through it, as the essential mortar which binds our country together. And it is similarly impossible to conceive of meaningful international relations without a communications system to fuel the process.

But the more precise meaning of "cornerstone" is as the "point of reference" in a structure in relationship to which the rest of the structure is aligned. This is also a valid analogy to communications since it is obvious that the effectiveness of international communications, at any point in time, is a gauge of the state of international relations. If some countries do not possess the technical capacity or resources to communicate with others as equals, they will be at a severe disadvantage in projecting their concerns on the international stage.

The term "cornerstone" also suggests a sense of tradition since the inscription on the cornerstone marks a specific point in time. International communications, however, is now in the process of turning a corner. Communications relationships among countries are now

in a state of transition: between developed countries; between developed and developing countries (that is, the North/South dimension), and between countries with open as compared to controlled media (that is, the East/West dimension). These relationships are seeking a new equilibrium as governments wake up to the fact that information means not just political power but economic power, and even raises the fundamental issue of cultural domination.

Having defined my terms, I would now like to pose the question: What is the relationship between a country's national and international communications policies in a technological era when communications are, by their very nature, more and more international. National and international communications policies are, in my view, two sides of the same coin. In Canada's case, there are certain interests which must be safeguarded or promoted internationally - for example, we must export our communications high technology for our domestic industry to prosper. And there are certain international developments and realities that must be reflected in domestic policies - for example, we must stimulate the promotion of television programs that Canadians, faced with so many U.S. programs, will watch.

There are governments who still wish to restrict communications to within their national borders, but they are doomed to failure. The web of telecommunications facilities connecting countries has become an everyday reality. Various means of transmission are in constant use across borders: ranging from "off air" transmission of

broadcasting signals; to transmission through wires, microwave, coaxial cable, and soon fibre optics; to transmission via satellites from outer space which, according to the 1967 U.N. Outer Space Treaty, is "the province of all mankind". Last October, at a Symposium at the McGill Center for Research of Air and Space Law, I suggested that the province of all mankind would be an intriguing concept to introduce to our constitutional talks.

More and more specialized services are being transmitted as the technology advances. From telegraph, telephone and traditional broadcasting services, we have developed to the point where broadcasting services can be transmitted directly from satellites to small home receivers in rural and remote areas, and where sophisticated new data and informatic services are now possible due to a combination of communications and computer technologies. A world-wide communications infrastructure that transcends all national boundaries is well on its way to being set up.

What is the proper role for government with respect to the flow of information? With so much essential information flowing across borders, it is now true to say that governments block this flow at their own peril. Truly democratic governments have a legitimate, regulatory role to play in deciding what means of carriage or transmission are used and at what rates. But it is a cardinal principle

of Western democracies that government must not control the content of what is transmitted.

This is a hallowed distinction - between carriage and content - but I know from experience that there is often a fine line between action a government must take, for example to place the Canadian information sector in a position of economic viability, and action a government must not take, for example to prevent the access of its citizens to a great variety of information from abroad. It is this distinction which the Canadian delegates were defending last autumn at the UNESCO General Conference in Belgrade.

In an information era, where about half of the Canadian work force is now engaged in information-related occupations, it is an onerous responsibility to implement policies which respect this appropriate role for government, but are successful in ensuring that there are communications facilities in place, and information flowing through them, tailored to Canadian requirements and priorities. The problem is compounded by the homogenization of information, due to advances in informatics and digitization, which makes it increasingly difficult to know what type of information is flowing within and across borders. Nevertheless, it is generally accepted that, over the next twenty years or so, economic growth will be increasingly bound up with the development of information and information-related activities.

Countries which wish to share in that growth will have to give priority to the financing, development and trade of selected products.

When we as a government take action, we usually declare that we are doing so to protect Canadian sovereignty. But this suggests that some country or group of countries is attempting, by design, to undermine Canadian sovereignty. This is rarely the case in the communications field. If the government, however, does not take positive action to stimulate the Canadian communications and information sector, other countries will fill the vacuum. The economic, political, and cultural viability of our country will be gradually eroded. Nothing distinctively Canadian will remain.

We owe it to the informed Canadian and international public to lift the veil of sovereignty and explain our actions and the specific Canadian interests which are being protected. Why is it, for example, that Canadians take a strong "free flow of information" line on East/West information questions, but a much more nuanced position on Canada/U.S. questions? It is, in my view, because fundamental human rights are usually not at issue in the Canada/U.S. context. For example, when the Government amended the Canadian Income Tax Act so that Canadian advertising on U.S. stations, intended primarily for a Canadian audience, would not be permitted as tax deductions, we did so to channel advertising funds into the Canadian media, and the measure has been effective. We did not prohibit Canadian advertising in the

U.S. - Canadian advertising directed at a U.S. audience is still tax deductible - but merely removed some of the financial incentive for broadcasting such advertising back into Canada. One has to strain credulity to claim that we have infringed any principle of the "free flow of information," unless there is some principle on the "free flow of commercials" across borders.

The spread of information/communications technology entails change, some new ground rules, and coordination among countries as our respective economies become more interwoven than ever before. One of the basic themes, which I know will be running through your discussions tomorrow, is whether there are adequate mechanisms in place at the international level for coordinating communications and communications activities in a period of compressed technological change. There is certainly an increasing level of international activity - both at the multilateral and bilateral levels - but is it keeping pace with the technology?

Looking first at multilateral activity, I would have to conclude that the international telecommunications operating organizations, to which Canada is linked via Teleglobe Canada, our international telecommunications carrier, are providing a satisfactory level of service. I refer to the International Telecommunications Satellite Organization (INTELSAT), the recently-formed International Maritime Satellite Organization (INMARSAT) which will begin its

operational phase in 1982, and the Commonwealth Telecommunications Organization (CTO). Moreover, the integrated North American telecommunications network, which includes not just Canada and the USA but also Mexico and the Caribbean, is continuing to function effectively.

But is it really necessary to have separate operating organizations for individual space services? One recognizes that INMARSAT was set up as a separate organization because the USSR is not a member of INTELSAT, and because some countries considered that the U.S. was too influential in INTELSAT. But, surely, it wouldn't take too much ingenuity to rationalize current and future operating systems, to a greater extent, to avoid costs and increase efficiency.

When one looks at the multilateral organizations dealing with various policy and regulatory issues, it becomes more difficult to measure effectiveness. The International Telecommunication Union (ITU), the U.N. Specialized Agency in Geneva which coordinates the use of the radio frequency spectrum, has so far been able to adapt its international regulations to meet new technological requirements. But its Plenipotentiary Conference in 1982, and the series of important specialized World and Regional Administrative Radio Conferences scheduled for the 1980s, will challenge the members of the ITU in their efforts to accommodate the reasonable requirements of developing countries with the technological appetites of developed countries.

All countries are concerned about the impact of sophisticated new technologies on their economies. But some are more concerned about how they are going to introduce even the most basic services.

Decisions will be taken at these ITU conferences which will decide the operations of future telecommunications systems. At a regional conference in 1983 to plan the use of Direct Broadcast Satellites in the Americas, and at a world conference in 1984 to decide how to guarantee equitable access to the geostationary-satellite orbit, it will be necessary to obtain international recognition and accommodation of Canada's future space requirements. Many developing countries claim that the "first-come, first-served" principle governing orbital spots and space frequencies, is not in their national interest. The U.S., following its "open skies" space policy, is introducing, or has plans for, an impressive number of communications satellites. The interests of Canada, with our reasonable but substantial requirements, lie somewhere in the middle. It will be essential for the conferences to come up with coordinating procedures that provide enough stability for countries to plan properly, enough flexibility so the technology will not be frozen at an artificial point in time, and enough equity for developing countries to share the benefits of the new technologies.

In 1983 another ITU world conference will try to bring some order out of the current anarchy of High Frequency (HF) shortwave

broadcasting. It is obvious that some technical parameters should be introduced so that it will no longer be necessary for countries to have to outshout one another using higher and higher powered transmitters, many exceeding one million watts. But it will be crucial to ensure that any needed technical constraints do not allow receiving countries to impose a veto over what is being transmitted to their citizens. As long as there are governments which control the content of their national media, the activity of international shortwave broadcasters will remain essential.

UNESCO is attempting to fashion for itself a role as the focal point in the U.N. system for the demands by developing countries for closing the North/South communications gap by establishing a "new world information and communication order". These countries are concerned not only about how information is flowing but what is flowing.

Is there a serious communications gap that requires the international community to work toward the establishment of a "new world order"? I would have to answer yes since those countries with the technology can, and in some cases do, control the information, and those without it will be left behind in some vital sectors of human activity. But care will have to be taken to keep the political rhetoric to a minimum - something UNESCO has not been particularly successful in doing up to now - so that those effective mechanisms in

the present system are not destroyed in the rush to establish a new equilibrium. The emphasis should be on practical steps involving the transfer of technology and resources to developing countries - not as an act of charity but to give substance to a fundamental human right. If UNESCO's new Intergovernmental Program for the Development of Communication is going to be a success - and Canada, as a member of the Council, will be working to make it one - there will have to be a close working partnership between UNESCO and the ITU and the governmental and non-governmental organizations with complementary roles to play.

The U.N. General Assembly itself is also involved in current communications issues given the U.N.'s own information distribution program and its residual responsibility for coordinating issues throughout the U.N. family. Its Committee on the Peaceful Uses of Outer Space has tried unsuccessfully for many years to produce a consensus on principles to govern television broadcasting via Direct Broadcast Satellites. Given the fact that the ITU has been able to approve international regulations on Direct Broadcast Satellites, one is tempted to question the continuing effectiveness of the U.N. Outer Space Committee as a credible negotiating forum on the issue.

The OECD in Paris is another multilateral forum where the Western industrialized countries have been attempting to come to grips with the challenges posed by the new information technologies, especially the economic impacts. But let's face it. Since vital

economic interests are at stake, one cannot delay national policies until that elusive day when there is a consensus subscribed to by all OECD members.

One could also mention regional organizations such as the Inter-American Telecommunications Conference (CITEL), the regional U.N. Economic Commissions, and regional Broadcasting Unions. There are also the international lending agencies and many other organizations and professional associations that bring together technical experts or academics. Everyone seems to be getting into the act!

To complicate the picture further, one must take into account the bilateral communications relationships which are every bit as important to any country. Canada, for example, has key relationships in the communications field with a growing number of developed and developing countries. Increasingly, cooperation between Canadian industry and companies in other countries, to supply telecommunications and space communications "hardware", is providing a solid basis for these relationships. As I said earlier, our high technology industries must export to thrive.

It will not, however, surprise any of you when I say that, no matter to what extent we diversify our communications relations, the Canada/U.S. relationship will remain the key one. The impact of this relationship is with us each day in our offices and in our homes.

It is the most complex and sophisticated communications relationship between any two countries in the world.

The type of communications issues which arise in the context of the Canada-U.S. relationship extends from routine, technical matters to sensitive problems with political dimensions. We are all familiar with that commonplace of Canada-U.S. relations: the longest undefended border in the world. Its corollary is another cliché: good fences make good neighbours. What these expressions, in all their banality, point to is the constant need for coordination when Canada and the U.S. deal with each other about communications.

There are everyday needs for technical coordination of the use of the radio frequency spectrum on both sides of the border. Can you imagine, for example, the chaos that would result if we did not have in place reciprocal arrangements for the use of CB radio on both sides of the border?

But there are other technical issues with wider implications for Canada/U.S. relations. For example, an international conference, to be convened by the ITU in Rio de Janeiro in November, will approve a detailed frequency assignment plan to provide for the interference-free operation of all the AM broadcasting stations in North, Central and South America - there are currently about 9000. There is already

agreement on all of the technical parameters of this plan except one, the seemingly routine technical issue of the spacing between AM broadcasting stations on the radio dial. Because of different national priorities, this is becoming the most contentious issue for the conference to deal with. The basic question is: Do the benefits of reducing the spacing from the current 10 kHz to 9 kHz, which would allow us to squeeze more stations into the same frequency band, outweigh the operational and financial penalties to existing AM broadcasters, of switching to a new frequency? Based on concern over the impact on existing stations, Canada has favoured retention of 10 kHz spacing. The USA, however, has responded to a demand for new broadcasting stations and has been pressing vigorously for reducing the channel spacing to 9 kHz. It will take sensitive diplomacy by both Canadian and U.S. officials to keep this issue from disrupting the fine tradition of smooth coordination of Canada/U.S. spectrum issues.

Every time it seems compelling to introduce new communications links across the Canada/U.S. border, it is necessary to consider the likely effects these links will have on our existing institutional infrastructure, objectives for service to the public and opportunities for economic growth. The use of Canadian and U.S. satellites for transborder services would supplement, but could theoretically even supplant, our integrated terrestrial telecommunications links. From the Canadian point of view, this challenges us to devise a framework whereby satellite and terrestrial

networks can be integrated. However, the exploitation of satellite technology for carriage functions also implicitly raises questions related to content. Specifically, how can we ensure the continuing viability of the Canadian broadcasting system when challenged by the allure and abundance of seductive U.S. programs? This is a problem that has been with us since the earliest days of radio broadcasting. The problem has remained with us in its essential form through every advance in technology. And it poses itself again when we now consider the use of domestic satellites for communications between Canada and the U.S. As always, it demands imaginative solutions which will satisfy both public demand for access to a variety of available programming, as well as the legitimate cultural policy objectives which sustain our sense of nationhood.

Last but not least, there is the "bread and butter" issue in Canada/U.S. communications relations of ensuring that Canadian manufacturers and entrepreneurs get their "fair share" of the North American market. Canadian industry, for example, is working with a number of U.S. counterparts to ensure that the Canadian interactive television system, Telidon, gets the major share of the U.S. market.

Even in the various multilateral communications forums, one usually finds that the most crucial issue for Canada has an important Canada/U.S. element. This is true, for example, at ITU conferences where future national requirements for geostationary orbit positions

and space frequencies are at stake, or in the OECD where issues such as Transborder Data Flows are being discussed.

With the interaction of all these national and international elements, some of which are still only suspected rather than clearly understood, it is not surprising that each country's communications requirements and policies are unique. You may even say that, in the case of Canada, our policies are "more unique than others." Canadians want every innovation that appears in the USA and as quickly as it appears there. But, although the Canadian and U.S. political systems are based on the same democratic principles, the U.S. model is not always the best for Canada in the communications field. Our economy, for example, based on a considerably smaller market, can often not withstand the same degree of competition as is feasible in the huge U.S. marketplace. It looks, for example, like Direct Broadcast Satellites will be allowed to fight it out in the U.S. marketplace for as big a share as possible. In Canada, however, Direct Broadcast Satellites will, I suspect, have an appropriate role as part of an integrated Canadian broadcasting system.

I would be just as quick to admit that the Canadian model is not necessarily the best to meet the unique requirements of other countries. It is true, however, that our expertise is proving useful to many other countries since our Canadian experience is a microcosm of many of the issues facing others. After all, we know from our

experience that an integrated communications system is still essential for our development. We are beginning to understand that the development of the content of that system is as important to our economic growth as the development of the system itself. We are, moreover, sensitive to many of the concerns of developing countries since, although we are technologically advanced, we are still in the process of bringing to our rural and remote areas the same level of service that we enjoy in our urban areas.

Given this proliferation of relationships and forums, and I have not even mentioned our complicated domestic environment, how can the policy maker maintain enough of an overview to ensure that new communications technologies are not introduced in an ad hoc fashion but in ways which meet the real needs of Canadian citizens? One would like to have more control over the national impact of multilateral and bilateral issues, but with so many factors at play it is impossible to impose any rigid structure. One must keep trying to adapt the international system in a flexible way, and certainly not resign oneself to the currently unwieldy way in which several important international issues are addressed.

If Canada and the international system are going to be able to adapt to the new realities of the communications/information age, it will be necessary to dig beneath some of the slogans which have obscured some of the issues, to demystify some of the trends and to

clearly understand the implications of the activities. When one examines the policies pursued under the banner of such concepts as the "free flow of information", an "open skies" space policy, or "first-come, first-served" in obtaining the use of frequencies, one usually finds policies which work to the economic advantage of a country or group of countries. But it is also necessary to beware of those governments who would like to manipulate the discussion of a "new world order" to justify government control of the mass media. It is obvious that many of the new information issues defy simple solutions. One thing is clear. Canada must come into the information age, must identify and seize the opportunities it offers, must build on her many advantages in doing so, and must become a major player in the international market place. In this effort government and industry must be mutually supportive and mutually reinforcing. If they are not, our economy, and therefore all Canadians, will suffer.

I hope that I have provided a general conceptual framework to assist in the detailed discussion tomorrow. I expect that you will approach some of the issues I have raised from fresh angles, perhaps a more academic and less pragmatic approach, and come up with some new ideas as to how Canadians should respond to some of these challenges. It is with no false sense of modesty that I admit that I don't have all the answers. If I did, I wouldn't be the Minister of Communications. I'd be Communications critic of Her Majesty's Loyal Opposition!

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CHECK AGAINST DELIVERY

CANADIAN BROADCASTING IN THE EIGHTIES:

POINTING THE WAY TO A STRATEGY

NOTES FOR AN ADDRESS

BY THE HONOURABLE FRANCIS FOX

MINISTER OF COMMUNICATIONS

TO THE ANNUAL MEETING

OF THE CANADIAN ASSOCIATION OF BROADCASTERS



QUEBEC CITY, APRIL 6, 1981



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A great deal has happened since I spoke to you in Calgary a year ago. Not the least of which was the Government's decision to vest the responsibility for the arts and cultural industries in Canada in the Department of Communications. The issue we face is one of coping with the programming and technological revolution of the Eighties. Clearly we must ask ourselves what steps we should take to provide viewers with more Canadian programming and attractive Canadian programming at that. As well, I want to make an important announcement that will be of special interest to radio broadcasters across the country relating to the complex and sensitive issue of 9 or 10 kHz channel spacing.

Without question, Canadian broadcasters are facing a most difficult decade. More than in any other country, Canadian broadcasters are having to learn to live with increased audience competition, largely as a result of technological change and the rapid expansion of broadcasting services on U.S. satellites. The challenge to Canadian broadcasters brought about by this recent phenomenon is even greater than the challenge posed by the spread of cable in the Seventies. Is there anything we can do? My answer is clearly "Yes". But we will have to move with determination and imagination. At the same time, we should not allow ourselves, in the face of these challenges, to underestimate the quality of the broadcasting system we have built in Canada over the years, and its particular strengths. We have much to be proud of, and a solid base to build on.

To begin with, in the broadcasting sector, the system is ours -- it is Canadian owned and operated, as a result of government policy and Canadian business initiative. We've lived with this basic fact for so long that perhaps we sometimes lose sight of its meaning. Put simply, we do not have to wage a difficult struggle to Canadianize the ownership of the broadcasting sector. Certainly, improvements can be made on the production side. But at least we don't have to go out and reclaim it as we propose to do in the energy sector.

We have a system that comprises both public and private elements. This mix adds a unique dimension to the service that the broadcasting industry gives to Canadians.

We have a system which provides basic broadcasting service -- radio and television, AM and FM -- in both official languages from coast to coast.

Another outstanding feature of Canadian broadcasting is its local nature. Many countries are trying to achieve this with great difficulty. In Canada, there are radio and TV stations practically everywhere, providing relatively important amounts of local programming. Many places, with no daily newspapers, have several local radio stations providing up-to-the-minute information. Many others have a TV station too. While there are certainly some disparities in service for some areas in the country -- which I will touch upon later -- our broadcasting

system is largely in place. And, not only is it in place, but it has the great feature of being decentralized and community-based.

One of the assets of the Canadian broadcasting system for our collective life as a nation is the presence of stations in both official languages. We often take for granted what it means to a francophone living in Vancouver to have access to French stations. Or to an anglophone living in Québec to receive English language programming. Perhaps in no other sector are our official language goals so accomplished as in broadcasting. In French language broadcasting, in radio and television, we have a record of achievement on a worldwide scale -- from the production of high quality cultural programming like L'Oiseau de Feu, which won an international Emmy Award, to local programming with community involvement on community cable channels and radio stations. We have in Montréal the largest French language TV production centre in the world. And where else in the world are French language programs being delivered by satellite?

While, as I said, we have a real programming problem to face, our production infrastructure has become quite strong -- not to speak of our distribution systems. Let's think of the CBC and its many important regional facilities, of Glen-Warren in Toronto, JPL Productions in Montréal, of the many well equipped CTV stations, of CHCH, or CFCF or CITY, or CITV in Edmonton or of course Radio Québec and TV Ontario.

We also have the NFB and about 100 feature film production companies. Thanks in part to co-operation from radio broadcasters, we have a vital recording industry, equipped with some 100 recording studios -- some among the best in the world. Thus, the production infrastructure in this country is largely in place. This too should be kept in mind when we consider the nature of the challenges that face us.

Everyone agrees that co-operation between governments, broadcasters and regulators is essential if the industry is to remain healthy and vibrant during the difficult years ahead. I have reasons to be optimistic here too. In the last year, we have seen some remarkable examples of public and private sector co-operation.

For instance, Canada now has a combined CTV/TVA satellite service to the underserved areas where some 2.8 million people live. In the North, a TV set costs substantially more to buy than in urban Canada. Yet when you get it home, it can pick up one or, if you're lucky, two channels. The CRTC has now completed its public hearings on extension of service to these Canadians. In the meantime, as a temporary measure, CTV and TVA have accepted a public responsibility, by stepping into this breach and beaming programs to these isolated areas. They are providing a public service. They are doing so at some cost to themselves, and I want to commend them for it -- and the CBC which is making its satellite transponders available and providing switching devices

to cable companies. This is an example of private broadcasters making arrangements to perform a public service through the good offices of the CBC and having this deal facilitated by the Department of Communications and sanctioned by the CRTC.

Here in Québec, we've seen another very interesting development -- the leasing of a channel on the Anik B satellite to beam programs from France to 40 or so earth stations in Québec. This was a rather intricate piece of co-operation between sectors and interests. While I am aware of the concerns of broadcasters regarding La SETTE, this is an important new French-language service to Quebecers. It is also a significant example of co-operation between the federal and provincial governments aimed at improving broadcasting service. The federal government released channel capacity it had previously leased from Telesat. Then we authorized Telesat to rent that capacity to the Société d'Édition et de Transcodage -- a Québec cable consortium. At this time, we are exploring the possibility of making this program service available outside Québec.

AM Channel Spacing Issue

One of the outstanding elements of Canadian broadcasting is radio. And one of the most crucial issues facing radio recently has been the matter of the spacing for AM broadcasting channels. The decision we face is which of the two alternatives

-- 9 or 10 kHz -- best suits Canadian needs and the needs of the entire region.

This issue arose last year during the deliberations at the first session of the regional conference that is developing the frequency assignment plan for the Americas. The countries attending the first session were almost equally divided between proponents of 9 kHz channel spacing and those favoring 10 kHz. Since they were unable to resolve the issue at this first meeting, the decision was deferred until the second session of the conference in Rio de Janeiro in November 1981. A measure of the gravity with which the conference viewed this issue is that it established an eight-country panel of technical experts, on which Canada is represented. This panel was to assist the International Frequency Registration Board of the International Telecommunication Union with a comparative study of the two channel spacing alternatives. The panel will complete its study by mid-summer.

The choice of which option Canada should support has not been easy. During the past 14 months, in consultation with experts from your industry, we have carefully weighed the pros and cons of the two alternatives. We had to look at 9 kHz channel spacing since it does offer some attractive new possibilities for new broadcasting stations in frequency-congested areas of Canada. But we had an obligation to measure very carefully the impact of such a change on our broadcasting environment. The CRTC was also

consulted and has advised the government to retain 10 kHz spacing. Its view was that the limited number of new channels that would be made available did not justify the disruption of the whole AM system and the substantial costs to broadcasters and the public.

My parliamentary colleagues and I received many representations from broadcasters across the country. We also had the benefit of the public documents on this matter that were prepared and distributed by your Association. And recently when I met with your Chairman, Don Smith, and your President, Ernie Steele, I was impressed with the presentation they made on behalf of your industry.

Having examined the issues in depth and having weighed the advantages and disadvantages of both options, I want to announce today that the government has decided to support the retention of the current 10 kHz channel spacing at the regional conference next November. We came to this decision, in part, because of the serious technical and economic penalties associated with switching to 9 kHz spacing. In order to squeeze the existing stations closer together, about 350 of the 400 Canadian AM stations would have to change their frequencies by varying amounts. Such changes would require costly adjustments to broadcasting transmitting equipment. Promotional material would have to be amended. We were also concerned that there would be an unequal burden of costs on different stations to make the switch. And we didn't like what we saw as reduced quality and coverage area for certain radio

stations. Clearly, the financial costs and operational disruption to radio broadcasting outweighed the benefits resulting from a conversion to 9 kHz spacing. Consequently, we will support 10 kHz spacing at the November conference.

We will be aggressive in seeking the support of other countries in the region for retention of 10 kHz spacing. We will make available to them the results of our studies and explain to their technical officials the reasons for our decision. As you know, there is considerable support in many countries for the narrower spacing. If 9 kHz spacing secures a majority at the conference, it will be incorporated into the plan. For technical and operational reasons, Canada would have no alternative but to conform to the plan. If this should happen, we will, of course, work closely with you in making the transition.

The Canadian use of the radio frequency spectrum is just one example where national policies must be harmonized with international developments. As the countries of the world continue to develop, the national and international demands will increase for this limited natural resource. The result will be more competition and more complex international arrangements for spectrum management.

Close working relations, therefore, will be needed between government officials and your industry experts. This was evident at the crucial World Administrative Radio Conference held in 1979.

It continues in the Government/Industry Working Group which is assisting with preparations for the regional AM broadcasting conference. We plan to have two technical experts from the private sector on the delegation to the conference next November. This partnership has been beneficial to Canadian interests and I look forward to it continuing.

The Technological and Programming Challenges

The significant changes now taking place in communications shape up not simply as a challenge of adaptation to technology but as a critical phase in the evolution of Canada as a nation.

Winston Churchill once said -- talking about architecture at the time -- that "We shape our buildings, thereafter they shape us." For better or worse, we are sure to be influenced by the changes now taking place in communications. One of the most crucial tasks facing us is to make sure we continue to shape and channel this revolution in communications toward our own national goals. If we don't succeed in this, we will be moulded and shaped by forces beyond our control. Consider only the following U.S. developments:

- A few years ago, there were no broadcast services being delivered by satellite in the U.S. At the most recent count, there are 30, and even that figure will multiply by mid-decade.

- A new stereo music television service, to be delivered by satellite free of charge to cable operators, will be inaugurated later this summer. It will be advertiser-supported and its promoters believe it will be as powerful a vehicle for the music and recording industry as radio has been. Incidentally, this approach is unacceptable to me in the Canadian context.

- A Comsat subsidiary has made a formal application to the Federal Communications Commission to begin direct broadcasting service (or DBS) in the U.S. by 1985, which would spillover into Canada, covering most of our major cities.

And DBS is only one of a range of satellite services being introduced south of the border. Others include pay-TV, already well developed, advertiser-supported satellite-to-cable programming for special audiences, ethnic programming and cabletext. Satellite television, including pay-TV, poses the greatest combined package of opportunity and threat ever to face Canadian broadcasting. If this evolution is shaped properly, it could do for this country what railways and aviation have done. If its development is not orderly, it could smother us.

Here are some facts about the current situation: first, in some areas such as Vancouver, if we include cable programming, 80 per cent of all available programming is foreign. Second, 74 per cent of the viewing time by English-speaking Canadians is spent watching non-Canadian programs. Third, 38 per cent of viewing time by French-speaking Canadians is spent watching

foreign programs. Fourth, viewing of foreign programs is even higher for children: 83 per cent for English-speaking children and 45 per cent for French-speaking children.

The impact on Canadian minds -- particularly the younger and more impressionable ones -- of all these foreign perceptions and attitudes should not be underestimated. Television is the most potent single force today in terms of mass cultural impact.

We have built a sophisticated system of national linkage. Canada's domestic satellite system is one of the best. We were the first to experiment with direct broadcasting by satellite. But we have to get more Canadian programming up on our satellites and make it available to all Canadians. We have an unprecedented opportunity to provide specialized services, one of the blessings of the new hardware.

We are also in the forefront of new approaches to interactive television. With Telidon, we have a capacity for broadcast teletext. I would like to see more broadcasters exploiting the benefits that could accrue to Canada from Telidon. It's our job to see that the content of our information systems is as good, attractive and Canadian as possible. In addition to prestige and pride for Canada, the cultural and creative content of products and services is part of what people buy, sell and trade. Such activity plays an important role in our economy.

I would also suggest that those of you who have never seen Telidon and its capabilities, see the demonstration we've arranged for this meeting. As well, I would urge those of you going to Las Vegas next week for the convention of the National Association of Broadcasters, not to miss the opportunity to promote Telidon.

The Need for a Broadcasting Strategy

I now want to turn to what I perceive to be the greatest challenge facing our broadcasting system. When I say that the most difficult problem facing is a problem of content or programming, I know that I'm not saying anything new. It's a recurring problem. One that we have faced before, and one that we will continually have to face.

Efforts and talents are required to build systems of distribution. I have just spent two thirds of my time this morning boasting about the hardware side of our broadcasting system and related production facilities. Clearly, I don't underestimate the importance of these systems. I do think, however, that the challenge of content is a more difficult one.

We find examples of this in other fields. Over the years and particularly with the Centennial program, we have established a rather remarkable grid of centres for performing arts: for theatre, opera and dance. Keeping those places alive with Canadian theatre is a constant challenge.

Since the first part of this century, we have had large motion picture theatre chains. Until recently, we have not produced very many feature films to fill their screens. We are now attempting to remedy this situation with various measures such as the CFDC and the capital cost allowance program.

For some time, I have been pointing out that the 100 per cent capital cost allowance on investments in certified film and videotape productions can be used for television programming. And that's met with some success. Certification for non-feature film and videotape projects, which are mainly television productions, rose from about \$9 million in 1978 to about \$35 million in 1979 and to an estimated \$50 million in 1980. While the capital cost allowance does have limitations -- which are mainly problems for the packager rather than the investor -- it is, nevertheless, a useful tool in raising equity financing for television production.

Consider now the cable television industry. Here we have a case where in less than 30 years, we have built an infrastructure that reaches more than 70 per cent of the population. Many Canadians are entitled to recognition for their pioneering efforts in that industry. This new system of distribution has increased or improved the circulation of television programming. It has not, however, contributed significantly to the solution of the content problem we are talking about today.

This problem of the balance between hardware and software is more difficult to resolve in Canada than in most other countries. It is very tempting to feed our distribution system with content easily available from our neighbors. After all, they are the largest source of cultural products in the world.

The worrisome question, however, is: Can a country remain vigorous and independent and successful if it has little to say for itself? Can we simply sit back and watch and listen to what others have to say? My own answer is no. I answer this way, not only as the Minister of Communications but also as a proud Canadian. Nations or countries are somewhat like ordinary people or individuals: the interesting ones have something to offer, something to give, something to express.

Of course, as a nation we want to listen to what others have to say. We want -- not only to have access to -- but as well, we actually want to look for, to search for and find the most interesting ideas, the most exciting works, the most stimulating accomplishments anywhere in the world.

But I firmly believe that we have to make it possible for those among us -- and there are many -- who have been blessed with talent, imagination, and creativity to share their ideas with their compatriots and to take part in a dialogue which -- more and more -- will cross political frontiers.

Over the years, the Government of Canada has demonstrated the importance of broadcasting to our cultural and economic development. There have been moments of boldness and determination. The creation of a publicly-owned national broadcasting service in 1932 leading to the formation of the CBC in 1936 is an example of an undeniably bold step by the Government. Another far-reaching change occurred when broadcast regulation was split from operations when the Board of Broadcast Governors was created in 1958. When the late Judy LaMarsh's Broadcasting Bill was passed by Parliament in 1968, the CRTC was established with an explicit set of broadcasting objectives that led to the infrastructure we have today. Between those moments, various policies have contributed to the solution of the problem of programming content. Important though they may have been, sometimes they evolved in an ad-hoc fashion.

Individual or incremental solutions must not be underestimated. Among these are extension of service, pay-TV, additional provincial educational networks, interprovincial educational networks, new Canadian content rules and better use of the capital cost allowance. Moreover, such solutions need not wait for the elaboration of an overall strategy.

While these measures have been and are worthwhile, they are at best only ad-hoc attempts at solving the problem of content. Circumstances today demand a bolder and more integrated approach. I'm convinced we can do it. When once we despaired of

ever Canadianizing radio broadcasting, we can now point to radio as an example of what can be done. And you've helped to create a successful recording industry in the process. But to do so with television means we must have objectives, we must have imaginative economic solutions and we must have business plans to meet those objectives. In other words, we must have a strategy.

How do we start? First, I suggest that we should start by analyzing the North American environment very carefully -- as it develops from day to day. I hasten to say that very soon there will be more European elements in this North American environment than some might think. Already, we in Canada have television from France through La Sette and soon the Americans will have the BBC via satellite.

Second, we must realize that we will be operating in a much more competitive environment where audiences will be more fragmented. As well, we must look at the opportunities of world markets for some of our programs.

Third we should try to determine more precisely what our objectives and targets ought to be. What kind of Canadian programming do we want? We are doing reasonably well in news, public affairs, documentaries and sports. What improvements if any, do we want in these areas? We are, however, doing rather poorly in variety and drama, where the viewing hours for Canadian productions are respectively 15 per cent and three per cent in English-speaking Canada. Is this acceptable? If not, what should we aim for?

Fourth, once we have established some targets, let's establish the cost, at least roughly. If the price is too high, we may want to consciously revise our ambitions or maybe change the time table.

Fifth, what are the sources of potential revenue? What projections can we make concerning subsidies from government -- both federal and provincial? What are the projections concerning advertising revenue for broadcasting? Are broadcasters investing as much as they could in program production? What kind of fiscal incentives might be considered to encourage private broadcasters and producers to produce more? What should be the role of a new copyright act? How much will pay-TV bring to the economies of program production? Are there taxes -- federal or provincial -- applying to broadcasting now which inhibit program production? Are there fiscal powers in the hands of the provinces which could be used to encourage program and film production? Should cable television be required to contribute to the financing of program production?

What forum should we use to answer these questions? I don't think that such a discussion should be undertaken in isolation by politicians or government officials. It is imperative that our strategy be developed in consultation with

all those in broadcasting and in government who are responsible for this industry, who care about Canadian broadcasting. The Applebaum-Hébert committee must be involved as well as the CRTC. I would certainly welcome all the views that some of you may care to express to me in letters or briefs or in meetings such as this one.

There is a real challenge here, a challenge addressed to Canadian society, to you as professionals of broadcasting and to your boards of directors as licensees of broadcasting undertakings. It is of course also addressed to me. As technology develops at an incredible pace we, as a relatively small nation, face similar challenges in many fields. Let me close by quoting Arnold J. Toynbee who says that "North American history tells in favor of the proposition: the greater the difficulty, the greater the stimulus."

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NATIONAL INFORMATION TECHNOLOGY
IN THE GLOBAL MARKETPLACE



NOTES FOR ADDRESS BY
PIERRE JUNEAU
DEPUTY MINISTER OF COMMUNICATIONS
OTTAWA

TO THE ANNUAL GENERAL MEETING OF THE
CANADIAN ADVANCED TECHNOLOGY ASSOCIATION
FOUR SEASONS HOTEL, OTTAWA
29TH APRIL 1981



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INTRODUCTION

BEFORE COMING OVER HERE TODAY I WAS LOOKING OVER THE QUALIFICATIONS FOR MEMBERSHIP IN YOUR ASSOCIATION, AND THE PROFILE OF YOUR MEMBER COMPANIES. ESSENTIALLY, QUALIFICATION REQUIRES MAJORITY CANADIAN OWNERSHIP, AND THE SALE OF HIGH TECHNOLOGY GOODS OR SERVICES. THE AVERAGE MEMBER COMPANY IS YOUNG AND SMALL, SALES OF ONE OR TWO MILLION, 25 TO 50 EMPLOYEES, MANY OF THEM SCIENTISTS OR ENGINEERS, DOUBLING IN SALES EACH YEAR WITH A WORLD CLASS PRODUCT OR SERVICE WHICH HAS FOUND SOME SPECIALIZED PLACE IN THE GLOBAL MARKETPLACE. AND I WAS STRUCK BY THE SIMILARITIES. THE DEPARTMENT OF COMMUNICATIONS IS ONLY TWELVE YEARS OLD. MUCH OF OUR EFFORT IS RESEARCH IN INFORMATION TECHNOLOGY AND ECONOMICS. WE HAVE A HIGH PROPORTION OF ENGINEERS AND SCIENTISTS ON STAFF. OUR LATEST PRODUCT LINE, TELIDON, IS MAKING ITS WAY UP THE WORLD, AND WE'RE ONE HUNDRED PERCENT CANADIAN OWNED.

IT IS A CHARACTERISTIC OF OUR TIME, THIS INTUITION THAT WE ARE ON THE DOORSTEP OF GREAT SOCIAL CHANGE, A FEELING THROUGHOUT THE INDUSTRIAL WORLD THAT OUR ECONOMIC DISEASES MIGHT BE CURED BY THE APPLICATION OF HIGH TECHNOLOGY, THAT ELECTRONICS WILL REPLACE MECHANICS, THAT BRAINS AND SILICON WILL REPLACE STEEL, SWEAT AND OIL AS THE BACKBONE OF OUR ECONOMY, THAT PRODUCTIVITY GAINS WILL RETURN WITH THE SPREAD OF SMART TECHNOLOGY, THAT THERE WILL BE RICH, INTERESTING, CREATIVE JOBS IN AN INFORMATION SOCIETY, AND

THAT IF GOVERNMENTS DEVELOP AND PURSUE A NATIONAL INFORMATION POLICY, MANY OF THE PROBLEMS OF AN AGING INDUSTRIAL SOCIETY WILL DISAPPEAR.

NATIONAL INFORMATION POLICY

IF A "NATIONAL INFORMATION POLICY" IMPLIES A GOVERNMENT MANAGED MASTERPLAN TO DEVELOP THE INFORMATION SECTOR OF THE ECONOMY BY ASSIGNING SEQUENTIAL PRIORITIES, APPLYING MASSIVE RESOURCES, DESIGNATING CHOSEN INSTRUMENTS, AND MANIPULATING NON-TARIFF BARRIERS IN THE INTERESTS OF TECHNICAL SOVEREIGNTY AND ECONOMIC EXPANSION, THEN THE OBVIOUS EXAMPLES ARE JAPAN AND FRANCE.

OF COURSE, EACH HAD A PARTICULAR PROBLEM TO BE SOLVED: JAPAN, AN ALMOST COMPLETE LACK OF NATURAL RESOURCES; FRANCE, A SOMEWHAT INADEQUATE TELECOMMUNICATIONS INFRASTRUCTURE, BUT BOTH ARE TURNING WEAKNESS INTO STRENGTH. JAPAN IS NOW STRIVING TOWARD A SORT OF DE-INDUSTRIALIZATION, THROUGH INFORMATION TECHNOLOGY, WHILE OTHER NATIONS ARE STILL TRYING TO RE-INDUSTRIALIZE. THE UNITED STATES, FOR INSTANCE, HAS A HUGE LEAD IN COMPUTERS AND MICRO-ELECTRONICS, A TREMENDOUS EDUCATIONAL ESTABLISHMENT, A LARGE MILITARY-SPACE COMPLEX, CENTRALIZED GRANT GIVING MECHANISMS, AND VAST GOVERNMENT PURCHASING POWER. BUT EVEN WITH ALL THESE ADVANTAGES, SOME AMERICANS ARE ASKING IF THE UNITED STATES SHOULD NOT ALSO HAVE AN INFORMATION POLICY TO COORDINATE AND EXPLOIT THESE RESOURCES. THE CANADIAN POSITION IS SOMEWHAT SPECIAL. AS RECENT INTERNATIONAL STUDIES FROM THE HARVARD

INFORMATION PROGRAM HAVE CONCLUDED, CANADA WAS ONE OF THE FIRST NATIONS TO DEVELOP AN OVERVIEW OF THE ROLE THAT COMMUNICATIONS AND INFORMATICS COULD PLAY IN SOCIETY, AND MANY OF OUR SUBSEQUENT ACHIEVEMENTS DERIVE FROM THIS UNDERSTANDING. NOW, AS THE COUNTRY MOVES TOWARD THE FORMATION OF A NATIONAL INDUSTRIAL STRATEGY, THE DEPARTMENT OF COMMUNICATIONS IS INCLINED TO THINK THAT A GLOBAL VIEW OF INFORMATION SHOULD BE A MAJOR COMPONENT OF THIS STRATEGY.

ONE OF THE REQUISITES OF AN INFORMATION POLICY IS THAT IT EXPRESS THE COMMON INTERESTS OF ALL THE PRINCIPAL ACTORS, LABOR, GOVERNMENTS AT ALL LEVELS, THE INVESTMENT COMMUNITY, THE SCIENTIFIC AND EDUCATIONAL INSTITUTIONS, AND, OF COURSE, THE COMPANIES, LARGE AND SMALL, WHICH DEVELOP, PRODUCE AND MARKET THESE INFORMATION GOODS ACROSS THIS ENORMOUS COUNTRY AND AROUND THIS SHRINKING GLOBE. I MUST SAY THAT THE SHIFT IN EMPHASIS FROM CONFRONTATION TO COLLABORATION THROUGHOUT THE INFORMATION SECTOR IS CLEARLY NOTICEABLE, AND IS STRIKING EVIDENCE THAT WE ARE COMING TO RECOGNIZE THAT OUR ECONOMIC SURVIVAL IS AT STAKE.

CATA MEMBER COMPANIES EXPORT FROM THIRTY TO NINETY PER CENT OF THEIR OUTPUT, WITH THE HIGHER FIGURE USUALLY REPRESENTING THE MORE MATURE COMPANY. AS LONG AS ECONOMIES OF SCALE APPLY, - AND THESE HAVE A PARTICULARLY IMPORTANT IMPACT AS THE INFORMATION CONTENT OF THE PRODUCT OR SERVICE RISES, - THEN OUR SMALL,

DISPERSED MARKET BASE, AND EXCELLENT GEOPOLITICAL POSITION, INEVITABLY LEAD US INTO GLOBAL MARKETS. WHETHER WE ARE MAKING MOBILE TELEPHONES, OR PBX'S, OR FILMS OR VIDEOTEX SYSTEMS, CANADIAN AS WELL AS FOREIGN BUYERS CHOOSE THE BEST IN THE WORLD, AND CANADIAN SELLERS HAVE NO CHOICE BUT TO COMPETE. A NATIONAL POLICY MUST BE GLOBALLY BASED.

I AM CONCERNED, THOUGH, THAT CURRENT ECONOMIC AND ADMINISTRATIVE THINKING DOES NOT ACCOUNT FOR THE VALUE ADDED OF SUCH INTANGIBLES AS INFORMATION - A WAY MUST BE DEVELOPED TO DETERMINE THE MARGINAL INCREASE IN A PRODUCT'S VALUE AS IT IS MASSAGED BY CREATIVITY AND IDEAS IN ITS PROGRESS THROUGH OUR LABORATORIES, OFFICES AND INSTITUTIONS. SHOULD WE FAIL TO DISCOVER AN ADEQUATE MEASURE, IT MAY BE IMPOSSIBLE TO REDIRECT CAPITAL AND LABOUR FROM LOWER RISK, MORE QUANTIFIABLE, BUT ULTIMATELY, LESS PROFITABLE INVESTMENT AREAS.

BECAUSE ECONOMIC THEORY IS WEAK IN THE INFORMATION SECTOR, FORECASTS OF THE EXTENT OF TECHNOLOGICAL UNEMPLOYMENT VARY ENORMOUSLY, WITH SOME FORECASTING THE COLLAPSE OF WORK, OTHERS AN ENORMOUS SHORTAGE OF WORKERS. SOME CONSENSUS HAS FORMED ABOUT LABOR DISPLACEMENT, SUGGESTING THAT LARGE NUMBERS OF LOW SKILLED WORKERS, UNABLE TO QUALIFY FOR INFORMATION WORK, WILL BE IN NEED OF DEEP RETRAINING IN ORDER TO FIND JOBS. THIS MAY INDEED BECOME A MASSIVE GOVERNMENT PROBLEM, PLACING HEAVY DEMANDS ON THE PUBLIC

PURSE OR REQUIRING A MAJOR RE-ORIENTATION OF PRIORITIES. COULD IT ALSO BE SEEN AS A MAJOR OPPORTUNITY FOR TECHNOLOGICALLY-BASED INSTRUCTION SYSTEMS, WHICH CANADIAN COMPANIES COULD DEVELOP, EXPLOIT COMMERCIALY, AND MARKET ABROAD, PARTICULARLY IN THE THIRD WORLD?

DEPARTMENT INITIATIVES

THESE GENERAL CONSIDERATIONS ASIDE, I WOULD LIKE TO SPEND THE MAJOR PART OF MY TIME DISCUSSING SOME OF THE DIRECTIONS IN WHICH I SEE THE DEPARTMENT OF COMMUNICATIONS MOVING OVER THE NEXT FEW YEARS. AS YOU MAY KNOW, THE GOVERNMENT HAS PUT IN PLACE A NEW POLICY AND EXPENDITURE MANAGEMENT SYSTEM, BASED IN PART ON THE RECOMMENDATIONS OF THE LAMBERT COMMISSION. IT REQUIRES DEPARTMENTS TO PRODUCE STRATEGIC PLANS AT THE START OF EACH FISCAL YEAR, INDICATING WHAT INITIATIVES THEY WOULD LIKE TO PURSUE IN THE UPCOMING FIVE YEARS INSIDE AND OUTSIDE THE GOVERNMENT. WE HAVE MADE A FIRST ATTEMPT TO ARRIVE AT SUCH A STRATEGIC PLAN AND I WOULD LIKE VERY BRIEFLY TO SHARE SOME OF OUR THOUGHTS WITH YOU. PLEASE KEEP IN MIND THAT ALL GOOD PLANS ARE SUBJECT TO CHANGE AND, I HOPE, SUBJECT TO IMPROVEMENT. IN FACT, I HOPE THAT AS A RESULT OF OUR DISCUSSIONS IN THE COURSE OF THIS YEAR OUR NEXT STRATEGIC PLAN WILL BE EVEN BETTER.

THE CENTRAL THRUST BEHIND OUR PROPOSALS IS TO URGE GOVERNMENT AND INDUSTRY TO BUILD ON THEIR RECORD OF SUCCESS IN THE TELECOMMU-

NICATIONS SECTOR AND TO TRY TO ACHIEVE SIMILAR RESULTS IN THE MUCH LARGER FIELD DEFINED BY THE CONVERGENCE OF TELECOMMUNICATIONS AND INFORMATION PROCESSING TECHNOLOGY. TOGETHER INDUSTRY AND GOVERNMENTS HAVE SUCCEEDED IN ESTABLISHING A FIRST CLASS TELECOMMUNICATIONS INFRASTRUCTURE BASED ON CANADIAN DESIGNED AND MANUFACTURED EQUIPMENT. A NUMBER OF CANADIAN FIRMS OPERATING IN THIS SECTOR HAVE ACHIEVED POSITIONS OF WORLD LEADERSHIP, SELLING A SUBSTANTIAL PORTION OF THEIR PRODUCTS AND SERVICES ABROAD. ON THE OTHER HAND, THERE HAVE BEEN FEW COMPARABLE ACHIEVEMENTS IN THE INFORMATION PROCESSING FIELD, WHERE OUR BALANCE OF PAYMENTS DEFICIT WAS ABOUT \$2 BILLION LAST YEAR AND THE INDUSTRY IS LARGELY FOREIGN OWNED OR CONTROLLED. THE MOST IMPORTANT CHALLENGE FACING GOVERNMENT AND INDUSTRY IN THE MEDIUM TERM IS TO EXTEND THE TECHNIQUES OF PARTNERSHIP WHICH HAVE BEEN SO SUCCESSFUL IN TELECOMMUNICATIONS INTO THE INFORMATION SECTOR MORE GENERALLY, SO THAT SIMILAR BENEFITS MAY BE REAPED.

TECHNOLOGY INITIATIVES

IN OUR VIEW, CANADA'S ABILITY TO INNOVATE IN THE KEY TECHNOLOGIES OF THE 80S IS THE SINGLE MOST IMPORTANT FACTOR IN ACHIEVING THIS GOAL, AND A GREATER R AND D EFFORT IS REQUIRED IN BOTH THE PUBLIC AND PRIVATE SECTORS TO SUPPORT INDUSTRIAL INNOVATION. IT IS OUR FIRM INTENTION TO SUPPORT PRIVATE SECTOR RESEARCH AS MUCH AS POSSIBLE, THROUGH CONTRACTS, TECHNOLOGY TRANSFERS AND BY OTHER MEANS.

WE THINK IT IS ESSENTIAL, HOWEVER, TO RECOGNIZE THE IMPORTANT ROLE THAT GOVERNMENT LABORATORIES PLAY IN UNDERTAKING EXPLORATORY RESEARCH - THE KIND THAT BREAKS NEW GROUND BUT MAY NOT GET DONE IF THE PRIVATE SECTOR WAS LEFT TO ITS OWN DEVICES, EITHER BECAUSE THE RISKS ARE TOO HIGH OR THE POTENTIAL PAY OFFS TOO FAR DOWN THE ROAD.

DURING THE 70S, DOC WAS RESPONSIBLE FOR A NUMBER OF BREAKTHROUGHS OF THIS KIND, OF WHICH TELIDON IS THE BEST KNOWN EXAMPLE. MANY OF OUR SCIENTIFIC STAFF ARE NOW INVOLVED IN TRANSFERRING THESE TECHNOLOGIES TO INDUSTRY. IN FACT, THIS IS USING SO MUCH ENERGY THAT OUR CAPACITY TO UNDERTAKE EXPLORATORY RESEARCH IN THE TECHNOLOGIES OF THE 80S HAS BEEN SERIOUSLY ERODED. WE ARE CONCERNED ABOUT THIS AND WE KNOW THAT INDUSTRY IS CONCERNED. CONSEQUENTLY OUR TOP PRIORITY IS TO SEE DOC'S RESEARCH BASE IN TELECOMMUNICATIONS, SPACE AND INFORMATION TECHNOLOGY REBUILT AND PUT ON A SOLID FINANCIAL FOOTING.

THE FOLLOWING AREAS SEEM PARTICULARLY PROMISING:

- MICROELECTRONICS IS THE MOTOR THAT IS DRIVING THE INFORMATION REVOLUTION, AND THE DEPARTMENT IS PROPOSING TO DO WORK IN ADVANCED DEVICE TECHNOLOGY, INCLUDING THE GALLIUM ARSENIDE TECHNOLOGY DEVELOPED BY THE COMMUNICATIONS RESEARCH CENTRE FOR THE HERMES PROGRAM.

- OUR PROPOSALS WITH RESPECT TO THE SECOND PHASE OF THE OFFICE COMMUNICATIONS PROGRAM WILL BE OF PARTICULAR INTEREST TO CATA MEMBERS. ONE OF THE DEPARTMENT'S INITIATIVES IN THE CONTEXT OF THIS PROGRAM WILL BE THE ESTABLISHMENT OF AN INDUSTRY CONSULTATIVE COMMITTEE WHICH WE WILL LOOK TO FOR DIRECTION AS TO OPPORTUNITIES AVAILABLE IN THE NEXT FIVE TO TEN YEARS FOR CANADIAN COMPANIES. I AM PLEASED TO ANNOUNCE THAT MR. CARL BEIGIE, PRESIDENT OF THE C.D. HOWE INSTITUTE, HAS ACCEPTED MY INVITATION TO CHAIR THIS COMMITTEE, WHICH WILL BE MADE UP OF SOME FIFTEEN TO TWENTY MEMBERS FROM THE MANUFACTURING, INFORMATION PROCESSING AND TELECOMMUNICATIONS INDUSTRIES, WITH CATA MEMBERS COMPRISING THE LARGEST SINGLE GROUP;
- THE APPLICATION OF NEW INFORMATION-PROCESSING TECHNOLOGIES AND THE GROWTH OF NEW COMMUNICATION SERVICES WILL GREATLY INCREASE THE DEMANDS PLACED ON THE TELECOMMUNICATIONS INFRASTRUCTURE AND RADIO FREQUENCY SPECTRUM. MEANS MUST BE FOUND TO EXPAND THEIR CARRYING CAPACITY AND THEIR ORDERLY, EFFICIENT USE. IF THIS IS NOT DONE, IT WILL BE IMPOSSIBLE TO SATISFY USER DEMANDS AND DERIVE THE BENEFIT OF THESE TECHNOLOGIES;
- THERE ARE PARTS OF THE COUNTRY WHERE SOME SOCIAL SERVICES CAN ONLY BE PROVIDED, OR CAN BE PROVIDED MOST EFFICIENTLY,

BY USING COMMUNICATIONS AND INFORMATION TECHNOLOGIES.

TELE-HEALTH AND TELE-EDUCATION SERVICES ARE GOOD

EXAMPLES. AS THE ANIK B EXPERIMENTS AND THE TRAIL RADIO

PROGRAM TESTIFY, DEMANDS FOR THESE AND OTHER PUBLIC

SERVICE APPLICATIONS WILL INCREASE IN THE DECADE AHEAD;

- NEW COMMUNICATIONS TECHNOLOGY IS MAKING POSSIBLE A RANGE OF OTHER NEW SERVICES. IN THE CASE OF SATELLITES, THESE INCLUDE UNIVERSALLY AVAILABLE MOBILE AND EMERGENCY SERVICES, SPECIALIZED BUSINESS SERVICES DIRECTLY TO CUSTOMER'S PREMISES AND SATELLITE BROADCASTING DIRECTLY TO INDIVIDUALLY OWNED RECEIVERS. TELIDON, FIBRE OPTICS AND ADVANCED SIGNAL PROCESSING TECHNIQUES FOR HF AND VHF CAN ALSO PROVIDE A WIDE RANGE OF NEW SERVICES. SOME EXAMPLES ARE COMPUTER-ASSISTED INSTRUCTION, TELE-SHOPPING INFORMATION RETRIEVAL SERVICES, MANAGEMENT INFORMATION SERVICES, NAVIGATIONAL SYSTEMS FOR AUTOMOBILES, SMALL SHIPS AND AIRCRAFT AND RELIABLE COMMUNICATIONS IN REMOTE AREAS;

- THE MODERNIZATION OF CANADA'S MILITARY FORCES WILL BE A KEY CONCERN IN THE TWO DECADES AHEAD. TO MEET THIS OBJECTIVE OVER \$1 BILLION OF IMPROVED MILITARY COMMUNICATIONS AND RADAR SYSTEMS WILL BE REQUIRED. THIS WILL

PRESENT IMPORTANT OPPORTUNITIES FOR CANADIAN INDUSTRY, IF THE NECESSARY RESEARCH IS DONE IN THIS COUNTRY.

POLICY INITIATIVES

ONE OF THE MOST IMPORTANT WAYS THE DEPARTMENT CAN ENCOURAGE THE GROWTH OF THE INFORMATION SECTOR IS THROUGH POLICY DEVELOPMENT. OUR MAIN PREOCCUPATIONS ARE THAT THE TELECOMMUNICATIONS INFRA-STRUCTURE REMAINS HEALTHY, THAT GOVERNMENT POLICY ENCOURAGE THE GROWTH OF THE COMMUNICATIONS EQUIPMENT INDUSTRY AND THE SOFTWARE AND CONTENT SUPPLIERS, THAT WE COOPERATE FULLY WITH THE PROVINCES ON INDUSTRIAL DEVELOPMENT INITIATIVES AND THAT CANADA'S INTERESTS BE PROTECTED ON THE INTERNATIONAL SCENE.

IN MORE SPECIFIC TERMS, WE ARE ANALYSING THE SOVEREIGNTY AND ECONOMIC ASPECTS OF TRANSBORDER DATA FLOWS. YOU MAY BE AWARE THAT THE DEPARTMENT IS CHAIRING A TASK FORCE WITH REPRESENTATIVES FROM THIRTEEN DEPARTMENTS. ITS TERMS OF REFERENCE ARE TO ASSESS THE SIGNIFICANCE, NATURE AND LOCATION OF ECONOMIC ACTIVITIES RESULTING FROM INCREASED FLOWS OF INFORMATION ACROSS BORDERS AND ITS EFFECTS ON CANADA'S ECONOMY.

WE WILL ALSO CONTINUE TO ASSESS THE MARKET POTENTIAL AND ANALYSE THE STRUCTURE OF THE INDUSTRY. IN THIS CONNECTION, WE ARE CONTINUING TO MONITOR THE ISSUES RAISED BY SYSTEM

INTERCONNECTION AND TERMINAL ATTACHMENTS. AND WE ARE REVIEWING THE LICENSING POLICY FOR SATELLITE EARTH STATIONS AND FOR MICROWAVE NETWORKS, AND WE ARE ALSO LOOKING AT THE DIFFICULT ISSUES RAISED BY CANADA/U.S. TRANSBORDER SATELLITE COMMUNICATIONS.

THE DEPARTMENT IS VITALLY CONCERNED WITH THE QUESTION OF STANDARDS. SOME NATIONS HAVE BEEN USING STANDARDS AS NON TARIFF BARRIERS TO PROTECT THEIR DOMESTIC INDUSTRIES. IT IS OUR VIEW THAT STANDARDS SHOULD BE USED TO FACILITATE INTERCONNECTION, SO THAT PRODUCTIVITY GAINS WILL BE REALIZED, AND INDUSTRY WILL GROW. CANADA, AS A LEADING INNOVATOR, HAS PLAYED AN ACTIVE ROLE IN DEVELOPING WORLD STANDARDS. IT IS IN OUR COMMON INTEREST THAT WE CONTINUE OUR VIGOROUS EFFORTS FOR STANDARDIZATION, AND THAT CATA MEMBERS PARTICIPATE. IF THE PARTICIPATION COST TO SMALL FIRMS IS TOO HIGH, THEN PERHAPS YOUR ASSOCIATION IS THE APPROPRIATE VEHICLE FOR ENSURING INDUSTRY INVOLVEMENT. I WOULD URGE THAT YOU NOT NEGLECT YOUR INTERESTS IN THIS QUESTION.

SPECTRUM, AND GOVERNMENT TELECOMMUNICATIONS INITIATIVES

WE ALSO PLAN TO UNDERTAKE INITIATIVES IN TWO OTHER AREAS WHICH WILL BE OF CONCERN TO YOU. FIRST IS SPECTRUM MANAGEMENT, THE ART OF GETTING THE MOST PRODUCTIVE USE OUT OF A FINITE AND FASCINATING RESOURCE. ALTHOUGH TECHNOLOGIES ARE GROWING MORE EFFICIENT IN THEIR USE OF SPECTRUM, DEMAND IS GROWING AT AN EVEN MORE RAPID

RATE IN AREAS SUCH AS INFORMATION PROCESSING AND RADIOCOMMUNICATIONS. WE ARE LOOKING FOR WAYS TO COPE WITH THIS DEMAND AND TO SIMULTANEOUSLY REDUCE THE ADMINISTRATIVE COST OF REGULATION AND STREAMLINE OUR RELATIONS WITH THE PROVINCES AND WITH BUSINESS.

SECOND IS THE FIELD OF GOVERNMENT TELECOMMUNICATIONS. IT IS DOC'S RESPONSIBILITY TO SEE TO THE DEVELOPMENT AND MANAGEMENT OF SHARED AND CUSTOMIZED SERVICES FOR DEPARTMENTS AND AGENCIES, AS WELL AS TO PLAN AND COORDINATE ALL GOVERNMENT TELECOMMUNICATIONS FACILITIES AND SERVICES. THESE NEEDS WILL BE RISING SIXTY PER CENT OVER THE NEXT FIVE YEARS. WE WANT TO OPTIMIZE THE EFFICIENCY OF THESE SERVICES AND THEIR USE OF CANADIAN-MADE PRODUCTS AND SERVICES.

CONTENT INITIATIVES

AT FIRST GLANCE, THE DEPARTMENT'S NEWLY EXPANDED CONCERN FOR CONTENT, AS REPRESENTED BY THE ARTS AND CULTURE BRANCH, HAS LITTLE TO DO WITH ADVANCED TECHNOLOGY. HOWEVER THE NATION'S CULTURAL DELIVERY SYSTEM IS UNDERGOING RAPID CHANGE, AS MARKED BY THE RECENT SERIES OF ANNOUNCEMENTS FROM THE CRTC. OVERALL EXPENDITURES ON THE CULTURAL INDUSTRIES IN THIS COUNTRY REPRESENT OVER 3 PER CENT OF GNP. HOW THE HARDWARE PORTION OF THIS MONEY IS SPENT, WHETHER ON GROUND STATION ANTENNAS, OR TELEVISION RECEIVERS, OR CABLE TELEVISION SYSTEMS, COULD HAVE A MAJOR IMPACT

ON HIGH TECHNOLOGY INDUSTRIES, AND ULTIMATELY ON OUR BALANCE OF PAYMENTS. WITHOUT BROADCAST SIGNALS, WHICH RECENTLY TOTALLED FORTY PER CENT OF TRAFFIC, OUR SATELLITE PROGRAM WOULD HAVE BEEN SLOW TO DEVELOP. AND THE RECENT C.R.T.C. DECISION TO EXTEND BROADCASTING SERVICE TO THE NORTH VIA SATELLITE, IS EXPECTED TO ENCOURAGE THE DEVELOPMENT OF GROUND STATION TECHNOLOGY IN CANADA. MOST OF MY YEARS IN PUBLIC SERVICE, AS YOU KNOW, HAVE BEEN SPENT IN SEEKING WAYS TO FOSTER CREATIVE EXPRESSION IN THE CONTENT SECTOR. ALTHOUGH THERE ARE MANY DIFFERENCES, I AM STRUCK BY THE SIMILARITIES. YOURS IS CLEARLY A MOST CREATIVE SECTOR OF INDUSTRY, AN AREA WHERE INNOVATION COUNTS HEAVILY IN PRODUCTION OR SERVICE COSTS.

WE STILL HAVE SOME DISTANCE TO GO BEFORE CONTENT AND TECHNOLOGY ARE APPROPRIATELY WED. AT THE MOMENT, CONTENT COMES UNDER THE SOCIAL DEVELOPMENT ENVELOPE, WHILE TECHNOLOGY IS UNDER THAT OF THE MINISTER OF STATE FOR ECONOMIC DEVELOPMENT. AS YOU CAN RECOGNIZE, AN INFORMATION POLICY, IF SUCH IS POSSIBLE, WILL EVENTUALLY INCLUDE BOTH CONTENT AND TECHNOLOGY. HOW FAST WE CAN MAXIMIZE CREATIVE OPPORTUNITY, DEVELOP WORLD-CLASS QUALITY PRODUCTS AND SERVICES, WHILE STRENGTHENING TECHNICAL AND CULTURAL SOVEREIGNTY, WILL DEPEND ON THE FLEXIBILITY AND IMAGINATION OF LEADERS AND THINKERS FROM BOTH CAMPS, AND THE DEVELOPMENT OF THOSE RARE BIRDS, THE BICULTURALS, IN THE C.P. SNOW SENSE OF THE WORD.

LEVERAGE, CONSULTATION

THESE ARE KEY ELEMENTS OF OUR INDUSTRIAL POLICY. FIRST, MAXIMIZING THE SPEED AND QUALITY OF TECHNOLOGY TRANSFER FROM DOC LABS TO INDUSTRY - THE TELIDON PROGRAM IS A SUCCESSFUL EXAMPLE, WITH DOZENS OF COMPANIES PARTICIPATING. SECOND, INVOLVING INDUSTRY IN GOVERNMENT RESEARCH AT ALL LEVELS FROM PLANNING TO IMPLEMENTATION - AND I POINT TO THE COMMUNICATIONS RESEARCH ADVISORY BOARD, MADE UP OF DISTINGUISHED ADVISORS FROM INDUSTRY AND INSTITUTIONS, AND CHAIRED BY RAN IDE; THE TWENTY-FIVE MEMBER CANADIAN VIDEOTEX CONSULTATIVE COMMITTEE, REPRESENTING ALL ELEMENTS OF THE INDUSTRY, AND WHOSE ALL - IMPORTANT INDUSTRY AND MARKETING SUB-COMMITTEE IS CO-CHAIRED BY DES CUNNINGHAM AND DAVID CARLISLE; AND THE OFFICE COMMUNICATIONS INDUSTRY COMMITTEE UNDER CARL BEIGIE.

THE THIRD ELEMENT IN OUR INDUSTRIAL POLICY, IS CONTRACTING OUT AS MUCH AS POSSIBLE OF OUR R & D - CURRENTLY THE FIGURE IS 60 PER CENT. THE FOURTH ELEMENT IS PARTICIPATION IN JOINTLY FUNDED PROGRAMS WITH INDUSTRY - ALL TELIDON AND FIBRE OPTICS FIELD TRIALS ARE JOINTLY FUNDED INCLUDING BOTH THE ELIE FIBRE OPTIC TRIAL AND THE LONDON, ONTARIO, CATV FIBRE DIGITAL TRUNK SYSTEM. FINALLY, WE HAVE EXPLORED AND ARE REVIEWING THE "CHOSEN INSTRUMENT" APPROACH TO CONCENTRATE OUR SEARCH FOR WORLD MARKET SHARE.

CONCLUSION

THESE THEN ARE ELEMENTS OF THE DEPARTMENT'S FIVE YEAR PLAN. QUITE OBVIOUSLY, THEY ARE IN SUMMARY FORM. SOME ARE MORE FIRM THAN OTHERS. ONE OF OUR FIRST ACTS AS A DEPARTMENT, TWELVE YEARS AGO WAS TO CREATE A TELECOMMISSION, AND SINCE THEN WE HAVE CONTINUED TO SEEK BETTER WAYS TO INVOLVE USERS, MANUFACTURERS, DESIGNERS, CARRIERS, IN THE DECISION PROCESS. I URGE YOU TO BRING YOUR ENERGIES AND CRITICISMS AND IDEAS TO BEAR, MOST PARTICULARLY THROUGH YOUR ASSOCIATION, TO WHICH WE WILL LISTEN WITH UTMOST ATTENTION.

BUT I WOULD ALSO LIKE YOU TO THINK ABOUT MY EARLIER COMMENTS CONCERNING A NATIONAL INFORMATION POLICY. OUR MOVE INTO AN INFORMATION SOCIETY IS CRUCIAL TO OUR SOCIAL AND ECONOMIC DEVELOPMENT. OUR SOVEREIGNTY, QUALITY OF LIFE, AND ECONOMIC WELL BEING WILL DEPEND ON HOW QUICKLY WE AS A NATION APPRECIATE THIS TRANSFORMATION INTO AN INFORMATION SOCIETY WITHIN AN INSTANT WORLD. CATA MEMBERS COLLECTIVELY EXPRESS STRONG NATIONAL ROOTS AND AN EXPANSIVE GLOBAL OUTREACH. THIS "NATIONAL- GLOBAL" OUTLOOK, WITH ALL THE TENSIONS AND CONTRADICTIONS IT IMPLIES, MAY HOLD A CLUE, IF NOT THE KEY, TO THE NEXT STAGE IN OUR EVOLUTION AS A NATION AND AS A CONTRIBUTING MEMBER TO WORLD PROSPERITY.

CHECK AGAINST DELIVERY



NOTES FOR AN ADDRESS
BY THE HONOURABLE FRANCIS FOX
MINISTER OF COMMUNICATIONS
TO THE ANNUAL MEETING OF
THE CANADIAN CABLE TELEVISION ASSOCIATION
TUESDAY MAY 12, 1981
QUEBEC CITY, QUEBEC



Government of Canada
Department of Communications

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YOUR ASSOCIATION HAS CHOSEN A PARTICULARLY APPROPRIATE THEME FOR YOUR CONFERENCE THIS YEAR. THIS IS INDEED "A TIME FOR GROWTH", IN THE COMMUNICATIONS SECTOR AND ABOVE ALL FOR THE CABLE INDUSTRY. MAJOR DEVELOPMENTS HAVE OCCURRED IN THE INDUSTRY SINCE I SPOKE TO YOU IN VANCOUVER LAST YEAR. THESE CHANGES WILL EXPAND THE SCOPE OF YOUR ACTIVITIES AS CABLE OPERATORS, AND I PREDICT A PERIOD OF HEALTHY GROWTH AND HECTIC ACTIVITY AS YOU BEGIN TO SERVE THE PUBLIC IN NEW WAYS.

IT IS NO ACCIDENT THAT THESE DEVELOPMENTS RELATE DIRECTLY TO THE THEME OF YOUR CONFERENCE LAST YEAR, "SATELLITES AND PAY TV -- THE CABLE CONNECTION". MANY OF THE IDEAS DISCUSSED AT THAT TIME HAVE NOW BECOME A REALITY THROUGH THE COOPERATION OF GOVERNMENT AND INDUSTRY. THE ISSUES YOU'LL BE DISCUSSING HERE IN THE NEXT FEW DAYS ARE IMPORTANT ELEMENTS OF OUR BROADCASTING SYSTEM. NEW APPLICATIONS OF COMMUNICATIONS TECHNOLOGY WILL REQUIRE TOUGH DECISIONS AND CONTINUED CO-OPERATION BETWEEN INDUSTRY AND GOVERNMENT. THE VIEWS EXCHANGED HERE WILL LEAVE ALL OF US BETTER EQUIPPED TO FACE THESE HARD DECISIONS.

SINCE MY APPOINTMENT AS MINISTER OF COMMUNICATIONS LAST YEAR, I HAVE MADE IT CLEAR ON COUNTLESS OCCASIONS THE HIGH PRIORITY WHICH I ATTACH TO THE EXTENSION OF CANADIAN BROADCASTING SERVICES BY SATELLITE AND THE INTRODUCTION OF PAY TELEVISION. THE RECENT ANNOUNCEMENTS BY THE CRTC WILL DRAMATICALLY ADD TO THE DEVELOPMENT OF THE CABLE

INDUSTRY. NEW MARKETS WILL OPEN UP. CABLE FACILITIES WILL REQUIRE UPGRADING. THIS MEANS THAT EQUIPMENT MUST BE PURCHASED TO PROVIDE THESE SERVICES, AND THIS WILL CONTRIBUTE TO EMPLOYMENT AND THE OVERALL HEALTH OF OUR MANUFACTURING SECTOR.

THERE WILL BE MORE COMPETITION FOR THE ENTERTAINMENT DOLLAR. MANY CABLE OPERATORS WILL BE SALESMEN FOR PAY-TV. YOUR INDUSTRY WILL HAVE AN IMPORTANT ROLE IN PROMOTING CANADIAN PROGRAMMING. THERE WILL BE COMPETITION FOR LICENCES TO SERVE THE HUNDREDS OF COMMUNITIES WHICH UNTIL NOW HAVE RECEIVED ONLY A LIMITED NUMBER OF SIGNALS.

THESE DEVELOPMENTS WILL CREATE A NEW DEMAND FOR HIGH QUALITY CANADIAN PROGRAMMING. WE MUST BE READY TO ACT QUICKLY AND CONFIDENTLY TO MEET THIS DEMAND. AT THE SAME TIME, WE MUST NOT FORGET THE CONTINUING IMPORTANCE OF PROVIDING SPECIAL SERVICES FOR DISADVANTAGED GROUPS.

EXTENSION OF SERVICES

ON APRIL 14, THE CRTC ANNOUNCED SEVERAL DECISIONS WHICH WILL CLEAR THE WAY FOR THE IMPLEMENTATION OF A MULTI-CHANNEL CANADIAN SATELLITE SERVICE TO MEET THE NEEDS OF CANADIANS IN UNDERSERVED COMMUNITIES FROM COAST TO COAST.

A LICENCE WAS APPROVED FOR SATELLITE DELIVERY OF A MULTIPLE CHANNEL TELEVISION AND RADIO BROADCASTING NETWORK WHICH WILL DISTRIBUTE A BALANCED MIX OF SIGNALS ORIGINATING FROM ALL REGIONS OF CANADA. THIS SERVICE WILL OFFER VIEWERS A CHOICE OF PROGRAMMING IN ENGLISH, FRENCH AND NATIVE LANGUAGES. COMBINED WITH THE EXISTING SATELLITE SERVICE OF THE CBC, THE TOTAL SELECTION WILL CONTAIN THE BEST OF THE CANADIAN AND U.S. NETWORK SHOWS. WE OFTEN FORGET THAT THE U.S. SATELLITES DON'T EVEN CARRY THE U.S. NETWORK PROGRAMS.

THE CRTC HAS APPROVED APPLICATIONS FOR THE DISTRIBUTION OF INUIT TELEVISION PROGRAMS, INDIAN RADIO SERVICES, PROVINCE-WIDE TELEVISION SERVICES IN NEWFOUNDLAND AND A NEW TELEVISION SERVICE FOR THE ATLANTIC REGION.

TO IMPLEMENT THESE SERVICES AS QUICKLY AS POSSIBLE, INTERESTED COMMUNITIES HAVE BEEN ASKED TO MAKE THEIR APPLICATIONS BY JUNE 17.

MEANWHILE, DEPARTMENT OF COMMUNICATIONS OFFICIALS HAVE BEEN INSTRUCTED TO TAKE EVERY POSSIBLE STEP TO HELP THESE COMMUNITIES OBTAIN LICENCES. THIS APPLICATION PROCESS WILL BE A MAJOR UNDERTAKING. MORE THAN 1,000 COMMUNITIES WILL NOW BE ABLE TO RECEIVE SATELLITE SERVICES. IN SOME CASES, THEY WILL BE DELIVERED BY NEW CABLE SYSTEMS AND IN OTHERS BY REBROADCAST STATIONS.

DOC STAFF IN REGIONAL AND DISTRICT OFFICES ACROSS THE COUNTRY WILL BE AVAILABLE TO ASSIST IN THE COMPLETION OF THE NECESSARY APPLICATIONS. WE HAVE SIMPLIFIED OUR PROCEDURES TO SPEED UP LICENSING.

THE REVIEW OF OUR LICENSING POLICY FOR EARTH STATIONS IS NEARING COMPLETION FOLLOWING RECEIPT OF PUBLIC COMMENTS. I WILL BE MAKING AN ANNOUNCEMENT ON THIS SUBJECT IN THE NEAR FUTURE.

ALTHOUGH THE EXISTING POLICY LIMITS OWNERSHIP TO CERTAIN CATEGORIES OF APPLICANTS, THE POLICY DOES ALLOW COMMUNITIES COVERED BY THE CRTC CALL FOR APPLICATIONS TO TAKE FULL AND PROMPT ADVANTAGE OF THE NEW SERVICES.

AS YOU ARE AWARE, CHARGES AGAINST THE OPERATORS OF AN UNLICENSED EARTH STATION IN BURNABY B.C. WERE DISMISSED LAST FRIDAY. THE DEPARTMENT OF JUSTICE INDICATES THAT THE COUNSEL FOR THE ATTORNEY GENERAL OF CANADA AT THE TRIAL HAS RECOMMENDED THAT THE JUDGMENT BE APPEALED. THE TRANSCRIPT AND THE JUDGE'S RULING ARE CURRENTLY UNDER REVIEW AND A FINAL DECISION ON THE FORM OF THE APPEAL WILL BE MADE ONCE THE REVIEW IS COMPLETE.

THE CRTC DECISIONS MARK THE COMING OF AGE OF SATELLITES AS AN INTEGRAL AND VIABLE PART OF OUR NATIONAL BROADCASTING AND TELECOMMUNICATIONS SYSTEM. THEY WILL TAKE US A STEP CLOSER TO OUR GOAL OF PROVIDING A FULL-RANGE OF BROADCAST SERVICES TO ALL

CANADIANS. WE MUST NOW FIND WAYS TO DELIVER MORE AND BETTER PROGRAMMING VIA ANIK SATELLITES. THE LAUNCH OF ANIK D NEXT YEAR WILL ALLEVIATE THE CURRENT SHORTAGE OF SATELLITE CHANNELS IN THE 6/4 GIGAHERTZ BAND.

WE MUST ALSO FIND WAYS TO REACH CANADIANS IN ISOLATED AREAS UNABLE TO TAKE ADVANTAGE OF THESE NEW SERVICES, PERHAPS THROUGH SOME FORM OF DIRECT BROADCAST SERVICE.

THANKS TO THE SUCCESSFUL FLIGHT OF THE SPACE SHUTTLE, THE COST OF LAUNCHING ANIK C NEXT YEAR WILL BE SIGNIFICANTLY REDUCED, THEREFORE STIMULATING THE INTRODUCTION OF NEW COMMERCIAL SERVICES IN THE HIGH FREQUENCY 14/12 GHz BAND. THE TECHNOLOGY TO PROVIDE THESE SERVICES IS BECOMING EXTREMELY EFFICIENT, IN PART BECAUSE OF THE USE OF THE CANADIAN-MADE 16-METRE "ROBOT ARM" DESIGNED TO PLACE SATELLITES IN ORBIT AND RETRIEVE THEM FOR REPAIRS.

DIRECT BROADCASTING IS A MATTER OF CONCERN BECAUSE OF ITS POTENTIAL IMPACT ON THE CABLE AND BROADCASTING INDUSTRIES. I SEE BY YOUR AGENDA THAT YOU WILL DEVOTE A GREAT DEAL OF TIME TO THIS TOPIC. YOUR VIEWS WILL HELP DETERMINE WHAT ROLE SUCH A SERVICE MAY PLAY IN CANADA. YOU ARE ALL AWARE OF THE RECENT DECISION BY THE U.S. FEDERAL COMMUNICATIONS COMMISSION TO CONSIDER AN APPLICATION FOR A THREE-YEAR TRIAL OF DBS BY COMSAT.

THE U.S. WILL USE SUCH DBS EXPERIMENTS TO AID GOVERNMENT POLICY MAKERS IN THEIR APPROACH TO THE IMPORTANT 1983 REGIONAL ADMINISTRATIVE RADIO CONFERENCE. WE ARE DEVELOPING A CANADIAN POSITION ON DBS SYSTEMS IN CONSULTATION WITH OUR INDUSTRY. THIS WILL BE ESSENTIAL IN SECURING THE MOST FAVOURABLE ARRANGEMENT FOR OUR COUNTRY IN THE ALLOCATION OF FREQUENCIES AT THAT CONFERENCE.

NON-PROGRAMMING SERVICES

CABLE OPERATORS ALSO FACE REVOLUTIONARY CHALLENGES IN THE FIELD OF NON-PROGRAMMING SERVICES. THIS WILL PUT NEW DEMANDS ON THE INFRASTRUCTURE OF YOUR INDUSTRY. TELIDON AND RELATED TECHNOLOGIES WILL PLAY AN INCREASINGLY IMPORTANT ROLE IN THE ECONOMIC AND SOCIAL LIFE OF CANADIANS. TO MEET THE DEMANDS OF BUSINESS, INDUSTRY AND CONSUMERS, WE MUST MULTIPLY OUR EFFORTS TO MAINTAIN OUR POSITION OF WORLD LEADERSHIP IN THE INTERACTIVE TECHNOLOGIES.

THESE EXCITING NEW SERVICES WILL PROVIDE THE OPPORTUNITY FOR ECONOMIC GROWTH IN THE TELECOMMUNICATIONS INDUSTRY IN CANADA. I SEE SUBSTANTIAL EXPANSION OF EMPLOYMENT IN RELATED MANUFACTURING, SOFTWARE AND INFORMATION INDUSTRIES.

THE ADDITIONAL REVENUES TO CABLE OPERATORS WILL DRAMATICALLY WIDEN THE SCOPE OF YOUR ACTIVITIES. BUT THEY WILL ALSO IMPOSE HEAVY FINANCIAL BURDENS DURING INITIAL DEVELOPMENT. ALL CABLE OPERATORS WILL NEED TO DEVELOP NEW EXPERTISE IN COMPUTERIZED SYSTEMS AND

TWO-WAY CABLE TECHNOLOGY. MORE IMPORTANTLY, THERE IS THE NEED TO UPGRADE FACILITIES TO PROVIDE THESE SERVICES.

THE CABLE INDUSTRY HAS PLAYED A VALUABLE ROLE IN DEVELOPING MUCH OF THIS NEW TECHNOLOGY, AND MUST BE CONGRATULATED FOR ITS EFFORTS. THE DECISION TO CREATE THE CABLE TELECOMMUNICATIONS RESEARCH INSTITUTE TWO YEARS AGO ALLOWS THE POOLING OF RESOURCES FOR RESEARCH AND DEVELOPMENT. INDIVIDUAL MEMBERS OF THIS ASSOCIATION HAVE ALSO MADE SIGNIFICANT ADVANCES. ROGERS CABLESYSTEMS AND ITS SUBSIDIARY, PREMIER COMMUNICATIONS, ARE SETTING EXAMPLES FOR THE WORLD IN THE PROVISION OF EXPERIMENTAL SPECIALIZED NON-PROGRAMMING SERVICES. IN MONTREAL, THE VIDEOTRON GROUP HAS ADOPTED TELIDON. ITS AMBITIOUS HOME INFORMATION SYSTEM PROJECT WILL OFFER SERVICES, SUCH AS TELE-SOFTWARE, NARROWCASTING AND ALARM SYSTEMS.

THROUGH THESE AND OTHER INNOVATIVE PROJECTS, THE CANADIAN COMMUNICATIONS INDUSTRY REMAINS THE FOCAL POINT OF INTERNATIONAL ATTENTION IN THE DEVELOPMENT OF NEW TECHNOLOGY AND SERVICES.

I WOULD LIKE TO EXPRESS MY APPRECIATION TO THE CABLE INDUSTRY FOR ITS SUCCESS IN PROMOTING TELIDON TECHNOLOGY IN THE UNITED STATES. MANY OF YOU MAY HAVE HEARD OF THE SUCCESSFUL BID BY CABLESYSTEMS PACIFIC FOR THE FRANCHISE IN PORTLAND, OREGON AND THE ENTHUSIASTIC RESPONSE TO TELIDON THERE. WE KNOW THAT CANADIAN CABLE OPERATORS HAVE A STRONG COMPETITIVE EDGE IN OTHER U.S. CITIES AS WELL.

IN FACT, SOME OF YOU ARE ABOUT AS POPULAR WITH YOUR AMERICAN COUNTERPARTS AS THE JAPANESE AUTOMAKERS ARE IN DETROIT. PERHAPS ALL THE HOURS YOU SPENT DEALING WITH THE CRTC AND DEVELOPING COMMUNITY PROGRAMMING OVER THE YEARS HAVE BEGUN TO PAY OFF. YOU SEEM TO HAVE A DECIDED ADVANTAGE OVER THE AMERICAN CABLE COMPANIES WHEN IT COMES TO MAKING A SALES PITCH AT MUNICIPAL FRANCHISE HEARINGS.

NEW PROGRAMMING AND NON-PROGRAMMING SERVICES WILL NOT LONG BE CONSIDERED A LUXURY. FOR MANY CANADIANS -- AND FOR ALL CABLE OPERATORS -- THEY WILL BE A FACT OF LIFE.

CLOSED-CAPTIONING

WHEN I SAY THAT THESE SERVICES WILL BE ESSENTIAL, I AM NOT REFERRING SIMPLY TO THE IMPORTANT ROLE THEY WILL PLAY IN THE CONDUCT OF BUSINESS AND EDUCATION. MORE IMPORTANTLY, THEY OFFER NEW HOPE FOR THE MILLIONS OF CANADIANS WHO ARE DISADVANTAGED BECAUSE OF PHYSICAL HANDICAPS.

SOME OF YOU MAY HAVE BEEN PRESENT AT THE CRTC HEARING IN TORONTO IN MARCH WHEN THE COMMISSION DEALT WITH NEW SERVICES. I AM TOLD THAT A 12-YEAR-OLD BOY, ADAM OSTEN, APPEARED AT THE HEARING AND TOLD A MOVING STORY OF HOW HE PROVIDES SIGN LANGUAGE INTERPRETATION OF TV PROGRAMS FOR BOTH OF HIS DEAF PARENTS. ADAM ORIGINALLY LEARNED HIS ABC'S BY WATCHING SHOWS SUCH AS SESAME STREET BECAUSE HIS PARENTS COULD NOT HELP HIM. BASIC TELEVISION SERVICE WHICH MOST

CANADIANS TAKE FOR GRANTED WILL OPEN UP A WHOLE NEW WORLD FOR ADAM'S MOTHER AND FATHER AND THE REST OF CANADA'S HEARING-IMPAIRED.

AS YOU KNOW, 1981 HAS BEEN DESIGNATED AS INTERNATIONAL YEAR OF DISABLED PERSONS, AND MAY IS HEARING AWARENESS MONTH.

ONE OF THE ISSUES OF GREATEST CONCERN TO ME IN THE PAST YEAR HAS BEEN THE DEVELOPMENT OF A CANADIAN CLOSED-CAPTIONING CAPABILITY THAT WILL ALLOW THOSE WITH HEARING HANDICAPS TO SHARE THE BENEFITS OF TELEVISION. THE SIGNIFICANCE OF THIS TASK IS UNDERLINED BY THE FACT THAT NEARLY 1.5 MILLION CANADIANS SUFFER FROM HEARING IMPAIRMENT TO THE EXTENT THAT THEY CANNOT FULLY ENJOY CONVENTIONAL TELEVISION BROADCASTS.

SOME CABLE OPERATORS HAVE VOLUNTARILY TAKEN STEPS TO REMEDY THIS BY PROVIDING SIGNING AND OPEN-CAPTIONED PROGRAMMING, AND A CLOSED-CAPTIONING SERVICE IS OPERATING IN THE U.S.

LAST FEBRUARY THE SPECIAL COMMITTEE ON THE DISABLED AND THE HANDICAPPED TABLED ITS REPORT IN THE HOUSE OF COMMONS. ITS PURPOSE WAS TO IDENTIFY THE KEY OBSTACLES FACED BY DISABLED PERSONS IN CANADA AND TO OUTLINE PRACTICAL SOLUTIONS WHICH WOULD HELP TO OVERCOME THESE OBSTACLES. THE COMMITTEE'S REPORT HAS BEEN EXTREMELY WELL RECEIVED AND I AM PLEASED THAT WE HAVE WITH US TODAY THERESE KILLENS, M.P. (SAINT MICHEL) AND VICE-CHAIRMAN OF THE COMMITTEE.

ONE OF THE COMMITTEE'S MAIN RECOMMENDATIONS WAS THAT WE SHOULD "DEVELOP A PLAN FOR A CANADIAN CAPTIONING CENTRE WHICH WOULD PRODUCE CANADIAN CONTENT PROGRAMMING IN BOTH OFFICIAL LANGUAGES."

PIERRE LEVASSEUR, AT MY REQUEST, HAS ACCEPTED THE CHALLENGE OF DEVELOPING A CANADIAN CAPABILITY TO CLOSE-CAPTION TELEVISION PROGRAMS IN BOTH OFFICIAL LANGUAGES. HIS ROLE IS TO SECURE AGREEMENT FROM ALL INTERESTED PARTIES TO A DISTINCTLY CANADIAN SYSTEM WHICH WILL BE SELF-SUPPORTING, AND WILL BEST FILL THE NEEDS OF THE DEAF COMMUNITY.

MR. LEVASSEUR IS NOT EMBARKING ON ANOTHER STUDY OR SIMPLY WRITING ANOTHER REPORT. HE HAS A MANDATE FOR ACTION. HIS TASK IS TO WORK WITH ALL PARTIES, INCLUDING BROADCASTERS AND THE HANDICAPPED, TO CO-ORDINATE THEIR EFFORTS AND TO SECURE COMMITMENTS TO CREATE A CANADIAN CAPTIONING SERVICE AS QUICKLY AS POSSIBLE. I WOULD LIKE TO SEE SOME CAPTIONING OF CANADIAN PROGRAMS BEGIN AS EARLY AS THIS FALL, WITH A CANADIAN FACILITY IN OPERATION BY THE END OF THE YEAR.

I ATTACH GREAT PERSONAL IMPORTANCE TO THIS PROJECT. THE HEARING IMPAIRED HAVE A RIGHT TO EXPECT NOTHING LESS THAN OUR FULL SUPPORT AND ACTIVE PARTICIPATION IN THIS UNDERTAKING.

THE NEED FOR A BROADCAST PROGRAM STRATEGY

THERE IS ANOTHER AREA WHERE JOINT INDUSTRY-GOVERNMENT ACTION IS VITALLY IMPORTANT. UNDOUBTEDLY AN INCREASINGLY COMPETITIVE ENVIRONMENT FOR CANADIAN BROADCASTING WILL RESULT FROM EXTENSION OF SERVICES, PAY TELEVISION, NEW SATELLITE SERVICES AND NON-BROADCAST TECHNOLOGIES. THESE DEVELOPMENTS WILL RAISE SOCIAL AND CULTURAL ISSUES WHICH CANADA MUST ADDRESS IN A CO-ORDINATED AND DECISIVE MANNER.

WE CAN TAKE PRIDE IN OUR TECHNICAL ACHIEVEMENTS. WHILE WE HAVE CREATED NEW VEHICLES FOR EXPRESSION, WHAT MESSAGE WILL THEY CARRY TO CANADIANS AND TO THE REST OF THE WORLD? THIS IS THE FUNDAMENTAL QUESTION. OVER THE YEARS WE HAVE TAKEN STEPS TO ENSURE THAT OUR MEDIA ARE CANADIAN OWNED AND CONTROLLED. WE HAVE ALSO TAKEN STEPS TO ENCOURAGE AND PROMOTE CANADIAN PROGRAMMING. BUT DESPITE THESE EFFORTS, WE ARE STILL FACED WITH A SERIOUS SHORTFALL.

WE ARE WELL AWARE OF THE DILEMMA OF CANADIAN CONTENT: POPULAR AMERICAN PROGRAMS ARE AVAILABLE TO OUR BROADCASTERS AT PRICES FAR BELOW THE COST OF PRODUCTION. AND THEY GENERATE ADVERTISING REVENUES SEVERAL TIMES THEIR PURCHASE PRICE. GIVEN THIS, OUR OWN PRODUCTION HOUSES HAVE BEEN UNABLE TO DEVELOP THE SOLID BASE REQUIRED TO PROVIDE SUFFICIENT HIGH QUALITY PROGRAMMING FOR SALE IN THE DOMESTIC AND INTERNATIONAL MARKETS. THE IMPACT OF LOW-PRICED IMPORTS, COUPLED WITH THE AVAILABILITY OF AMERICAN TV SIGNALS IS STAGGERING.

STUDIES SHOW THAT TWO-THIRDS OF THE PROGRAMMING AVAILABLE TO ENGLISH CANADIANS IS FOREIGN PRODUCED. IN THE PEAK VIEWING HOURS OF 7 TO 11 P.M., THIS FIGURE REACHES 77 PER CENT. WHILE THE SITUATION IS SOMEWHAT BETTER FOR FRANCOPHONE VIEWERS IN QUEBEC, WITH 64 PER CENT OF TOTAL AVAILABLE PROGRAMMING ORIGINATING IN CANADA AND 62 PER CENT DURING PEAK HOURS, WE ARE ENTERING A PERIOD OF INCREASED COMPETITION ON THE AIRWAVES WHICH COULD INCREASE THE AMOUNT OF FOREIGN PROGRAMMING AVAILABLE IN QUEBEC.

AS A RESULT, IT IS NOT SURPRISING THAT ENGLISH-SPEAKING CANADIANS SPEND 74 PER CENT OF THEIR VIEWING TIME WATCHING FOREIGN PRODUCTIONS. THE FIGURE FOR FRENCH-SPEAKING CANADIANS IS 38 PER CENT. AMONG CHILDREN, 83 PER CENT OF THE ENGLISH PROGRAMS COMES FROM OTHER COUNTRIES, WHILE THE FIGURE FOR FRENCH-SPEAKING CHILDREN IS 45 PER CENT.

IT'S OBVIOUS THAT CHILDREN'S PROGRAMMING IS A CRITICAL AREA FOR CANADIANS. WE HAVE PRODUCED MANY FINE CHILDREN'S PROGRAMS IN THIS COUNTRY. BUT DISTRIBUTION HAS PRESENTED PROBLEMS. NOW WE HAVE THE TECHNOLOGY TO DELIVER THEM FROM COAST TO COAST. I BELIEVE THAT THE NATIONAL DISTRIBUTION OF PROGRAMMING FOR CHILDREN SHOULD BE AN ESSENTIAL GOAL OF OUR BROADCASTING SYSTEM.

THE FIGURES ARE ALARMING FOR THE VIEWING PATTERNS FOR OTHER PROGRAM CATEGORIES TOO. WHILE WE ARE DOING REASONABLY WELL IN NEWS, PUBLIC AFFAIRS AND SPORTS, IN VARIETY AND DRAMA, WE LAG SERIOUSLY

BEHIND. IN ENGLISH-SPEAKING HOUSEHOLDS, ONLY 15 PER CENT OF THE VARIETY SHOWS WATCHED ARE CANADIAN. FOR DRAMA, THE FIGURE IS A RIDICULOUSLY LOW THREE PER CENT.

THIS SITUATION MUST BE CORRECTED. I AM CONVINCED THAT IT CAN BE. IF IT IS NOT, WE RISK LOSING THE HEARTS AND MINDS OF OUR PEOPLE. CAN WE GROW AS A VIGOROUS, INDEPENDENT NATION IF WE DO NOT PROVIDE OUR PEOPLE WITH AN UNDERSTANDING OF WHO WE ARE, WHERE WE HAVE BEEN AND WHAT LIES AHEAD?

WITH THE ARRIVAL OF SATELLITE TELEVISION SERVICE, THE VOICES FROM OTHER LANDS WILL BE HEARD MORE CLEARLY AND MORE FREQUENTLY. THE CANADIAN TRADITION HAS BEEN NOT TO SHUT OUR EARS TO THE OUTSIDE WORLD, BUT TO RAISE OUR OWN VOICES. HOW ARE WE TO DO THIS?

AS I SAID TO THE CANADIAN ASSOCIATION OF BROADCASTERS HERE LAST MONTH, THE TIME HAS COME FOR US TO DEVELOP A COMPREHENSIVE STRATEGY TO MEET THIS CHALLENGE. ITS GOALS MUST BE CLEAR AND SIMPLE: TO MAKE AVAILABLE CANADIAN PROGRAMMING OF SUFFICIENTLY HIGH QUALITY TO COMPETE IN CANADIAN AND FOREIGN MARKETS -- AND IN SUFFICIENT QUANTITY TO MAINTAIN A HIGH LEVEL OF CANADIAN CONTENT ACROSS THE CANADIAN BROADCASTING SYSTEM. WE MUST OFFER PROGRAMMING THAT CANADIANS WILL WANT TO WATCH BECAUSE OF ITS EXCELLENCE. THUS, WE CLEARLY NEED A VIABLE PRODUCTION INDUSTRY IN THIS COUNTRY.

TO ACHIEVE THIS, WE NEED TO AGREE ON TARGETS THAT WE CAN REASONABLY HOPE TO ACHIEVE; WE NEED TO KNOW HOW MUCH IT WILL COST TO REACH THESE TARGETS; AND, WE MUST IDENTIFY THE FINANCIAL RESOURCES NEEDED TO MEET OUR GOALS.

TO DO THIS WILL REQUIRE STRONG AND DIRECT ACTION ON THE PART OF ALL OF US INVOLVED IN BROADCASTING. HALF-MEASURES WILL NOT SUFFICE. WE HAVE HAD SOME SUCCESS IN marginally INCREASING CONTENT ON A STEP-BY-STEP-BASIS. BUT THE MAGNITUDE OF THE PROBLEM IS SUCH THAT WE MUST NOW IDENTIFY MEASURES THAT WILL ADDRESS THE PROBLEM IN A COMPREHENSIVE MANNER.

THIS POSITION IS INCREASINGLY BEING ADVOCATED BY LEADING FIGURES IN THE BROADCASTING AND CABLE INDUSTRIES.

IMPLEMENTING THIS STRATEGY WILL REQUIRE BOLD NEW INITIATIVES BY GOVERNMENT, THE CBC AND INDUSTRY. A NUMBER OF MEASURES HAVE BEEN SUGGESTED BY INTERESTED GROUPS. SOME OF THESE ARE REGULATORY IN NATURE, SUCH AS THE CANADIAN CONTENT RULES WHICH ARE NOW UNDER REVIEW BY THE CRTC. REGULATION, HOWEVER, WILL NOT BE ENOUGH.

QUALITY CAN ONLY COME FROM A HEALTHY PRODUCTION INDUSTRY WITH THE FINANCIAL RESOURCES TO PRODUCE WORLD-CLASS PROGRAMMING. SEVERAL POTENTIAL SOURCES OF REVENUE HAVE BEEN SUGGESTED:

- FISCAL INCENTIVES TO COMMERCIAL BROADCASTERS, CORPORATIONS, PRIVATE FOUNDATIONS AND ADVERTISERS WITH A VIEW TO ENCOURAGING SUBSTANTIALLY GREATER INVESTMENT IN CANADIAN TELEVISION PRODUCTIONS;
- AN EXPANDED ROLE FOR THE CANADIAN FILM DEVELOPMENT CORPORATION, ALLOWING IT TO BECOME MORE INVOLVED IN TELEVISION PRODUCTIONS;
- PROVINCIAL FISCAL INCENTIVES WHICH COULD BE USED TO ENCOURAGE PROGRAM AND FILM PRODUCTION;
- AN EXTENSION OF EXISTING EXPORT INCENTIVE PROGRAMS TO SUPPORT THE EXPORT OF CULTURAL ITEMS SUCH AS TELEVISION SHOWS;
- ELIMINATION OF FEDERAL AND PROVINCIAL TAXES APPLYING TO BROADCASTING WHICH NOW INHIBIT PROGRAM PRODUCTION;
- INCENTIVES THROUGH NEW FORMS OF CAPITAL COST ALLOWANCE REGULATIONS FOR TELEVISION-ORIENTED PRODUCTION OF HIGH PRODUCTION VALUE PROGRAMMING;
- INCREASED CONTRIBUTIONS FROM THE CABLE INDUSTRY TO PROGRAM PRODUCTION;

- REVISION OF THE COPYRIGHT ACT;
- AND OF COURSE, PAY TV, WHICH MUST BE EXPECTED TO MAKE A SIGNIFICANT AND POSITIVE CONTRIBUTION TO CANADIAN BROADCASTING AND PROGRAM PRODUCTION.

I HAVE RAISED THESE SUGGESTIONS TODAY BECAUSE I WANT YOUR INPUT IN DETERMINING WHICH PARTICULAR COMBINATION OF MEASURES WOULD BE MOST EFFECTIVE. I DO NOT BELIEVE THAT SUCH A DISCUSSION SHOULD BE UNDERTAKEN BY POLITICIANS AND GOVERNMENT OFFICIALS IN ISOLATION.

IT IS IMPERATIVE THAT OUR STRATEGY BE DEVELOPED IN CONSULTATION WITH ALL INTERESTED PARTIES WHO ARE RESPONSIBLE FOR THIS INDUSTRY, AND WHO CARE ABOUT CANADIAN BROADCASTING.

WE ARE AT A CRITICAL MOMENT IN CANADIAN HISTORY. WE CAN USE OUR TECHNOLOGY TO FOSTER AND DEVELOP A VIBRANT CULTURE IN THIS NATION, OR WE CAN ALLOW THE TECHNOLOGY TO VANQUISH THE DREAMS OF GENERATIONS OF CANADIANS. TO ME, THE PATH IS CLEAR.

SP-81-07

ATTACHMENT

COMPARISON OF ENGLISH LANGUAGE PROGRAM AVAILABILITY

AND VIEWING TIME

BY TYPE AND ORIGIN OF PROGRAM

% Share of Total Broadcast Time			Type of Program	% Share of Total Viewing Time		
	Cdn.	Foreign			Cdn.	Foreign
10	6.2	3.8	News	10	8.9	1.1
12	8.0	4.0	Public Affairs	6	4.3	1.7
5	3.0	2.0	Sports	8	6.3	1.7
36	1.4	34.6	Drama	50	1.5	48.5
21	6.5	14.5	Variety-Music-Quiz	18	3.6	14.4
16	7.9	8.1	Miscellaneous	8	1.4	6.6
100	33	67	Total	100	26	74



STATEMENT BY

MINISTER OF COMMUNICATIONS

FRANCIS FOX

IN RESPECT OF A GOVERNOR IN COUNCIL
DECISION TO VARY CRTC TELECOM
DECISION 81-13 REGARDING RATES FOR
SERVICES AND FACILITIES BY MEMBERS
OF THE TRANSCANADA TELEPHONE SYSTEM

JULY 29, 1981



Government of Canada
Department of Communications

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On July 7, 1981, the Canadian Radio-television and Telecommunications Commission issued Telecom Decision 81-13, dealing with "increases and decreases in rates for services and facilities furnished on a Canada-wide basis by members of the TransCanada Telephone System, and related matters".

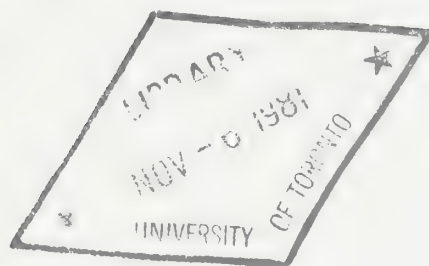
The Governor in Council, pursuant to subsection 64(1) of the National Transportation Act, on his own motion, has varied the CRTC Decision by delaying until November 30, 1981 the date by which Telesat Canada is required to file tariffs in accordance with Part V of the decision.

Part V of the CRTC Decision would require Telesat to refile its general tariff so as to provide for direct sale of its services to end-users, and also for the lease of partial channels. At the present time, Telesat provides service by leasing only full channels to regulated common carriers.

This action by the Governor in Council has been taken in order that the Government may review the national policy implications of the CRTC Decision and, if it is deemed appropriate, thereafter further vary or rescind the decision.

In making this announcement, the Governor in Council noted that this delay would not deprive any of Telesat's customers of service, which would continue to be provided under existing arrangements.

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A STATEMENT BY
THE HONOURABLE FRANCIS FOX
MINISTER OF COMMUNICATIONS

OCTOBER 26, 1981
OTTAWA, ONTARIO



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Department of Communications

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In commenting on the recent decision of the County Court of Westminster in British Columbia dismissing charges against Loughheed Village Holdings Ltd., the owner of an apartment complex in Vancouver, for operating a satellite earth station and a broadcasting undertaking without the required licences from the Department of Communications and the Canadian Radio-television and Telecommunications Commission, the Minister of Communications, the Honourable Francis Fox, indicated that the Court dismissed the charges on a technical evidentiary ground, namely that the Crown had not adduced sufficient evidence that the signals received by Loughheed Village Holdings constituted radiocommunications within the meaning of the Radio Act and the Broadcasting Act.

"There are other cases presently before the Courts," said the Minister, "in which the substantial issues raised in the Loughheed Village case will be dealt with. Consequently the federal government has decided not to appeal this particular decision." The Minister also noted that the Department and the CRTC have a continuing concern about these operations and that the CRTC, the DOC and the Department of Justice will actively pursue the other cases before the courts.



CHECK AGAINST DELIVERY

TELIDON AND THE CANADIAN OFFICE OF THE FUTURE

NOTES FOR REMARKS BY
THE HONOURABLE FRANCIS FOX
MINISTER OF COMMUNICATIONS
TO THE INTERNATIONAL INFORMATION/WORD
PROCESSING ASSOCIATION

TUESDAY, DECEMBER 1, 1981
OTTAWA, ONTARIO



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IT IS A GREAT PLEASURE TO BE ABLE TO TAKE PART IN A CONFERENCE THAT IS ADDRESSING THE EXCITING CHALLENGES WHICH FACE BUSINESS AND GOVERNMENT AS WE MOVE TOWARDS THE OFFICE OF THE FUTURE.

AS MEMBERS OF THE INTERNATIONAL INFORMATION/WORD PROCESSING ASSOCIATION, YOU ARE IN THE FRONT LINES OF THE INFORMATION REVOLUTION. YOU ARE EXPLORING NEW AREAS IN A FIELD OF CRITICAL IMPORTANCE TO THE ECONOMIES OF ALL DEVELOPED NATIONS. THE MARRIAGE OF MODERN MICROELECTRONICS AND COMMUNICATIONS TECHNOLOGIES HAS CREATED NEW INFORMATION SYSTEMS THAT ARE RECOGNIZED INTERNATIONALLY AS ESSENTIAL IN INCREASING THE PRODUCTIVITY AND EFFECTIVENESS OF BUSINESS, INDUSTRY AND GOVERNMENT.

AS INDIVIDUALS, YOUR SKILLS IN PERSONNEL TRAINING AND MANAGEMENT, IN SYSTEM DESIGN AND THE APPLICATION OF NEW TECHNOLOGIES WILL HAVE PROFOUND EFFECTS ON THE PRODUCTIVITY OF THOUSANDS OF CANADIANS. CONFERENCES SUCH AS THIS ALLOW PROFESSIONALS FROM MANY BACKGROUNDS TO ACQUIRE NEW SKILLS, TO DISCUSS COMMON PROBLEMS AND TO SEEK COMMON SOLUTIONS. DURING THE NEXT THREE DAYS, YOU WILL DEAL WITH AN IMPRESSIVE RANGE OF TOPICS, FROM HARDWARE TO HEALTH CARE, FROM FILE ARCHITECTURE TO TRAINING AND EDUCATION. YOUR EXECUTIVE IS TO BE CONGRATULATED FOR SUCH A COMPREHENSIVE PROGRAM.

FOR MY PART, I WOULD LIKE TO DISCUSS THE ROLE OF THE DEPARTMENT OF COMMUNICATIONS IN THE DEVELOPMENT AND PROMOTION OF NEW INFORMATION TECHNOLOGIES. IN PARTICULAR, I WOULD LIKE TO DEAL WITH TWO AREAS OF GREAT PERSONAL INTEREST TO ME, THE TELIDON PROGRAM AND THE OFFICE COMMUNICATIONS SYSTEM PROGRAM.

BOTH INVOLVE REMARKABLE NEW TECHNOLOGIES THAT WILL SIGNIFICANTLY ENHANCE THE WAY CANADIANS COMMUNICATE WITH EACH OTHER AND THE REST OF THE WORLD. BOTH PROGRAMS ALSO EXEMPLIFY THE EMERGENCE OF A NEW ATMOSPHERE OF CO-OPERATION BETWEEN THE PUBLIC AND PRIVATE SECTORS IN INDUSTRIAL DEVELOPMENT IN CANADA.

TELIDON

AS MANY OF YOU KNOW, TELIDON IS THE INTERACTIVE VIDEOTEX TECHNOLOGY DEVELOPED BY THE COMMUNICATIONS RESEARCH CENTRE IN 1978. IT IS OFTEN DESCRIBED AS A TWO-WAY TELEVISION SYSTEM. BUT IT IS MUCH MORE. IT IS A SOPHISTICATED, HIGHLY FLEXIBLE COMMUNICATIONS PROTOCOL THAT USES MICROPROCESSOR-BASED TERMINALS WHICH GENERATE COLOR DISPLAYS OF TEXT AND GRAPHICS. THESE TERMINALS CAN BE CONNECTED TO HOME TELEVISION SETS, DESK-TOP MONITORS IN AN OFFICE, OR LARGE-SCREEN PROJECTORS.

THE TELIDON SYSTEM CAN CARRY INFORMATION TO AND FROM INDIVIDUALS AND COMPUTER DATA BASES OVER VIRTUALLY ANY COMMUNICATIONS MEDIUM.

THERE IS ALSO A ONE-WAY VERSION OF TELIDON, KNOWN AS TELETEXT. IN THIS FORMAT, HUNDREDS OF PAGES OF REGULARLY UPDATED INFORMATION ARE BROADCAST AS PART OF A TELEVISION SIGNAL. A TELETEXT DECODER ON THE HOME TELEVISION SET ALLOWS THE USER TO CHOOSE INFORMATION ON SPECIFIC SUBJECTS. THE FIRST TELIDON TELETEXT TRIAL WAS LAUNCHED BY TV ONTARIO IN JANUARY 1980. THIS SUMMER I HAD THE PLEASURE OF ATTENDING THE OPENING OF A TELIDON TELETEXT PROJECT IN WASHINGTON, D.C., AND JUST LAST WEEK I MET CANADIAN BROADCASTING CORPORATION PRESIDENT A. W. JOHNSON TO SIGN AN AGREEMENT FOR A \$6 MILLION PROJECT TO TEST A NATIONAL TELETEXT SERVICE IN ENGLISH AND FRENCH NEXT YEAR. THIS PROJECT WILL BE FUNDED BY MY DEPARTMENT.

IN THE PAST YEAR, TELIDON HAS MADE MORE IMPORTANT INROADS IN THE INTERNATIONAL MARKETPLACE DESPITE VERY ACTIVE COMPETITION FROM OTHER COUNTRIES. IT NOW FORMS THE HEART OF THE NORTH AMERICAN VIDEOTEX STANDARD ADOPTED BY SOME OF THE LARGEST COMMUNICATIONS COMPANIES AND ELECTRONICS MANUFACTURERS IN THE WORLD, INCLUDING AMERICAN TELEGRAPH AND TELEPHONE AND THE COLUMBIA BROADCASTING SYSTEM. TIME INCORPORATED OF NEW YORK, THE TIMES MIRROR GROUP OF LOS ANGELES, COX CABLE CORPORATION, AND THE ERIE SAVINGS BANK OF BUFFALO ARE AMONG THE U.S. COMPANIES WHICH HAVE PURCHASED TELIDON FOR APPLICATIONS RANGING FROM ELECTRONIC MAGAZINE PUBLISHING TO HOME BANKING AND RESERVATION SERVICES.

THE GOVERNMENT OF CANADA ASSISTED INFOMART OF TORONTO AND NORPAK OF KANATA IN NEGOTIATING AN AGREEMENT WITH THE SIEMENS CORPORATION OF WEST GERMANY FOR THE SALE OF TELIDON EQUIPMENT AND RELATED SERVICES FOR THE EUROPEAN MARKET. THIS AGREEMENT IS WORTH AT LEAST \$15 MILLION TO THE CANADIAN COMPANIES OVER SEVERAL YEARS.

TELIDON IS ALSO BEING USED IN SWITZERLAND, ENGLAND, AND AUSTRALIA. THE GOVERNMENTS OF VENEZUELA AND THE UNITED STATES ARE PARTICIPATING IN TELIDON PROJECTS IN THEIR NATIONAL CAPITALS, AND FRENCH AND BRITISH GOVERNMENT AGENCIES ARE CONTRIBUTING TO TELIDON PROJECTS IN THIS COUNTRY. THE FRENCH CONSULATE IN MONTREAL, FOR EXAMPLE, HAS CREATED A NUMBER OF TELIDON PAGES ON SUBJECTS SUCH AS FRENCH FILMS, WINES AND LIFESTYLES. THESE PAGES ARE AVAILABLE ON THE BELL VISTA DATA BASE TO USERS OF ABOUT 500 TERMINALS IN CAP ROUGE, NEAR QUEBEC CITY, MONTREAL AND TORONTO.

THESE INTERNATIONAL SUCCESSES REINFORCE OUR BELIEF THAT TELIDON IS DEMONSTRABLY THE BEST VIDEOTEX SYSTEM IN THE WORLD.

WITHIN CANADA, THERE HAS BEEN RAPID GROWTH IN THE NUMBER OF VIDEOTEX PROJECTS IN OPERATION, AND THREE COMMERCIAL VIDEOTEX SERVICES HAVE STARTED THIS YEAR. VIRTUALLY ALL OUR MAJOR TELECOMMUNICATIONS CARRIERS AND SEVERAL CABLE TELEVISION FIRMS HAVE DEVELOPED TELIDON SYSTEMS. PARTICIPANTS IN THESE PROJECTS REPRESENT EVERY SECTOR OF CANADIAN SOCIETY. THEY INCLUDE SOME OF THE COUNTRY'S LARGEST

RETAILERS AND FINANCIAL INSTITUTIONS, CONSUMER ORGANIZATIONS, NEWSPAPER PUBLISHERS, STOCK BROKERS, ADVERTISERS, TRAVEL AGENCIES, EDUCATIONAL INSTITUTIONS, PUBLIC INTEREST GROUPS AND GOVERNMENTS AT EVERY LEVEL.

JUST LAST MONTH, I ATTENDED THE OPENING IN MONTREAL OF THE WORLD'S FIRST TELIDON CABLE NEWSPAPER. THIS SERVICE WAS DEVELOPED BY THE VIDEOTRON GROUP OF CABLE COMPANIES AND BY LA PRESSE, WHICH HAS ASSIGNED A SPECIAL EDITORIAL TEAM TO CREATE A TELIDON NEWSPAPER FOR MORE THAN HALF A MILLION SUBSCRIBERS. AS THIS SERVICE DEVELOPS, SUBSCRIBERS WILL BE ABLE TO USE TELIDON TERMINALS TO ACCESS ALL THE INFORMATION IN THE LARGEST FRANCOPHONE DAILY IN NORTH AMERICA. WE HAVE ALSO ESTABLISHED IN MONTREAL A NEW CENTRE OF RESEARCH IN DATA BASE DESIGN AND INFORMATION RETRIEVAL METHODS. LAST MONTH, I VISITED L'ÉCOLE POLYTECHNIQUE DE MONTRÉAL, TO MEET WITH OFFICIALS OF THE SCHOOL AND DIGITAL EQUIPMENT OF CANADA LTD., OUR CO-SPONSORS IN THIS EXCITING PROJECT.

AND, IN TORONTO, I HAD THE PLEASURE OF INAUGURATING A NEW SERVICE KNOWN AS THE CANADIAN RECORD CATALOGUE, WHICH WILL USE TELIDON TO PROVIDE LISTINGS OF ALL CANADIAN RECORDINGS ALONG WITH GRAPHICS FROM THE ALBUM COVERS. THIS SYSTEM WILL BE A VALUABLE TOOL FOR THE BROADCASTING AND RECORDING INDUSTRIES. IT HAS ALSO BEEN WELCOMED BY RETAILERS, WHO HAVE PROPOSED THAT TERMINALS BE PLACED IN RECORD STORES ACROSS CANADA. THIS SERVICE MIGHT EVENTUALLY BE USED BY CANADIANS IN THEIR OWN HOMES TO REQUEST DIGITAL DELIVERY OF MUSIC OR EVEN VIDEO SERVICES.

WITH ALL THIS ACTIVITY, WE ESTIMATE THAT BY THE END OF 1983 TOTAL INVESTMENT IN TELIDON WILL HAVE REACHED NEARLY \$200 MILLION, WITH THE BULK OF THAT MONEY COMING FROM THE PRIVATE SECTOR. SINCE TELIDON WAS FIRST PUBLICLY DEMONSTRATED ONLY THREE YEARS AGO, THAT IS A REMARKABLE ACCOMPLISHMENT -- WHICH IS AN IMPORTANT POINT TO KEEP IN MIND, BECAUSE IT SHOWS WHAT GOVERNMENT AND INDUSTRY CAN DO WHEN WE WORK TOGETHER.

WE BELIEVE TELIDON WILL HAVE A PARTICULARLY IMPORTANT PLACE IN THE OFFICE OF THE FUTURE. IT WILL DIRECTLY AFFECT MANY OF YOU INVOLVED IN WORD PROCESSING AND INFORMATION MANAGEMENT.

IN MANY ORGANIZATIONS, TELIDON WILL BE USED AS AN INTERNAL INFORMATION SYSTEM, FOR TECHNICAL DIAGRAMS, PROCESS CONTROL, ELECTRONIC TRAINING MANUALS, ORGANIZATIONAL AND PERFORMANCE CHARTS, INTERNAL PHONE DIRECTORIES, INTER-OFFICE MESSAGING SERVICES, CORPORATE INFORMATION PROGRAMS AND RETRIEVAL OF INFORMATION FROM OTHER SOURCES. MY OWN DEPARTMENT IS DEVELOPING AN INTERNAL DATA BASE OF THIS TYPE AS AN EXAMPLE FOR OTHER ORGANIZATIONS.

AS SUCH APPLICATIONS BECOME WIDESPREAD, IT WILL BE INCREASINGLY IMPORTANT FOR THOSE INVOLVED IN THE PROCESSING OF INFORMATION TO BE FAMILIAR WITH THE TECHNICAL ASPECTS OF TELIDON AND TO RECOGNIZE ITS POTENTIAL USES. ALL COMPANIES SHOULD BE CONSIDERING TELIDON COMPATABILITY IN THE PURCHASE OF ANY OFFICE COMPUTER OR COMMUNICATIONS SYSTEM. TELIDON PAGE-CREATION TERMINALS SUCH AS THOSE MADE BY BELL NORTHERN RESEARCH CAN ALSO SERVE AS WORD PROCESSORS OR STAND ALONE DATA BASES. TELIDON CAN INTERFACE WITH MANY TYPES OF COMPUTERS, FROM LARGE IBM SYSTEMS TO SMALL HOME COMPUTERS. ELECTROHOME OF KITCHENER AND A.E.I. MICROTREL OF VANCOUVER MANUFACTURE INTEGRATED BUSINESS TERMINALS THAT CAN BE USED FOR FULL-COLOR TELIDON DISPLAYS AS WELL AS STANDARD 80-CHARACTER DISPLAYS FOR CONVENTIONAL COMPUTING AND WORD PROCESSING SYSTEMS.

THE OFFICE OF THE FUTURE

THE INTENSE ACTIVITY SURROUNDING TELIDON AND THE PUBLICITY IT HAS RECEIVED ARE SOURCES OF GREAT SATISFACTION TO THOSE IN THE DEPARTMENT OF COMMUNICATIONS WHO DEVOTED MANY LONG HOURS OF WORK TO MAKE THE PROGRAM A SUCCESS.

AT THE SAME TIME, HOWEVER, ANOTHER SMALL GROUP OF DEDICATED INDIVIDUALS IN THE DEPARTMENT HAS BEEN WORKING WITH INDUSTRY TO LAY THE GROUNDWORK FOR A PROGRAM OF EQUAL, IF NOT EVEN GREATER, SIGNIFICANCE FOR THE LONG-TERM HEALTH OF THE CANADIAN ECONOMY.

THIS IS THE OFFICE COMMUNICATIONS SYSTEMS PROGRAM, MORE OFTEN REFERRED TO AS THE OCS OR OFFICE OF THE FUTURE PROGRAM. IT STEMS FROM THE DEPARTMENT'S OVERALL INTEREST IN INFORMATION TECHNOLOGY AND THE NEED FOR STANDARDS AND COMPATIBLE TECHNOLOGIES TO ALLOW AN OPEN COMMUNICATIONS ENVIRONMENT IN WHICH MANY TYPES OF EQUIPMENT CAN BE LINKED.

TO CO-ORDINATE OUR ACTIVITIES IN THESE FIELDS, I ANNOUNCED LAST YEAR THE CREATION OF THE OCS PROGRAM WITH A BUDGET OF \$12.5 MILLION. ITS GOAL IS TO HELP CANADA'S HIGH TECHNOLOGY INDUSTRIES SOLVE THE TECHNICAL PROBLEMS IN INTRODUCING AUTOMATED OFFICE SYSTEMS TO THE MARKET. IT WILL ALSO STUDY THE HUMAN FACTORS THAT DETERMINE THE EFFECTIVENESS OF OFFICE WORK. THROUGH THIS PROGRAM, WE ARE WORKING WITH INDUSTRY TO MEET THE NEEDS OF THE OFFICE EQUIPMENT MARKET FIVE YEARS FROM NOW. TO DO THIS, WE ARE TRYING TO BETTER UNDERSTAND THE OFFICE OF TODAY.

THIS PROGRAM IS CRUCIAL TO THE FUTURE OF BUSINESS AND INDUSTRY IN CANADA. IT WILL AFFECT EVERY KIND OF OFFICE IN EVERY KIND OF ORGANIZATION. IT WILL ALSO HAVE A DIRECT IMPACT ON EMPLOYMENT, PROFITS AND THE BALANCE OF PAYMENTS. IT HAS BEEN ESTIMATED THAT, AT THE RATE AT WHICH WE NOW IMPORT OFFICE EQUIPMENT, THE COUNTRY COULD FACE A DEFICIT OF MORE THAN \$4 BILLION IN ELECTRONIC PRODUCTS BY THE MID-1980'S. THE OCS PROGRAM WILL ENCOURAGE INDUSTRY TO PRODUCE MUCH MORE OF THIS EQUIPMENT IN CANADA. MORE SIGNIFICANTLY, IT OFFERS US THE OPPORTUNITY TO INTRODUCE MORE EFFECTIVE AND EFFICIENT OFFICE SYSTEMS IN GOVERNMENT AND BUSINESS. THIS MAY HELP TO REDUCE THE COST OF GOVERNMENT AND PUT OUR COMPANIES IN A MORE FAVORABLE POSITION INTERNATIONALLY.

OUR MAJOR TRADING PARTNERS HAVE ALSO RECOGNIZED THE IMPERATIVE OF AUTOMATION AND ARE ACTIVELY ASSISTING THEIR OWN HIGH TECHNOLOGY INDUSTRIES. THE COMPETITION FOR THESE NEW MARKETS WILL BE FIERCE.

RESPONDING TO THIS CHALLENGE, WE CREATED THE OFFICE COMMUNICATIONS SYSTEM PROGRAM TO ADAPT THE WINNING FORMULA DEVELOPED FOR TELIDON AND APPLY IT TO THE NEEDS OF THE OFFICE EQUIPMENT INDUSTRY. THE KEY ELEMENTS OF THAT FORMULA ARE CLOSE CONSULTATION AND CO-OPERATION BETWEEN GOVERNMENT AND THE PRIVATE SECTOR, WITH BOTH DRAWING ON EACH OTHER'S STRENGTHS.

TO THIS END, WE HAVE SPENT THE FIRST YEAR OF THE PROGRAM IN INTENSIVE DISCUSSIONS WITH CANADIAN COMPANIES, WORKING CLOSELY WITH THEM TO DEFINE PRIORITIES AND PLAN THE OPERATIONAL PHASES.

DURING THIS PRELIMINARY PERIOD, WE HAVE ACCOMPLISHED A NUMBER OF IMPORTANT OBJECTIVES THAT LEAVE ME PERSONALLY CONVINCED THAT THIS PROGRAM HAS THE POTENTIAL TO BE AN EVEN GREATER SUCCESS THAN TELIDON.

ONE OF OUR FIRST STEPS WAS TO ESTABLISH TWO PRINCIPAL ADVISORY COMMITTEES. AN OFFICE USER'S GROUP, CHAIRED BY DR. PETER MEYBOOM OF THE TREASURY BOARD, INCLUDES EIGHTEEN REPRESENTATIVES FROM FEDERAL DEPARTMENTS INTERESTED IN OFFICE AUTOMATION. THIS COMMITTEE WILL LATER BE EXPANDED TO INCLUDE PRIVATE SECTOR REPRESENTATIVES. AN INDUSTRIAL CONSULTATIVE COMMITTEE HAS ALSO BEEN ESTABLISHED, UNDER THE CHAIRMANSHIP OF CARL BEIGIE, THE FORMER HEAD OF THE C.D. HOWE INSTITUTE. THIS COMMITTEE CONSISTS OF SIXTEEN REPRESENTATIVES FROM COMPANIES IN THE OFFICE EQUIPMENT AND SERVICES INDUSTRY. A NUMBER OF SUB-COMMITTEES HAVE ALSO BEEN CREATED TO ADDRESS SPECIFIC ISSUES SUCH AS SOFTWARE DEVELOPMENT, STANDARDS AND OFFICE PRODUCTIVITY.

A SERIES OF FIELD TRIALS WILL BE THE MOST IMPORTANT COMPONENT OF THE PROGRAM. THESE WILL ALLOW US TO ASSESS THE LONG-TERM NEEDS OF THE OFFICE OF THE FUTURE, TO TEST THE EFFECTIVENESS OF NEW PRODUCTS AND SERVICES INTRODUCED BY CANADIAN INDUSTRY, AND TO EVALUATE THE HUMAN IMPACTS OF THE NEW TECHNOLOGY. THE TRIALS OFFER MANUFACTURERS THE OPPORTUNITY TO TEST NEW EQUIPMENT AND SERVICES IN A CONTROLLED OFFICE ENVIRONMENT. ONCE THESE PRODUCTS HAVE BEEN TESTED AND REFINED, CANADIAN COMPANIES WILL HAVE FIELD-PROVEN EQUIPMENT TO SELL IN WORLD MARKETS.

WE HAVE IDENTIFIED MORE THAN A DOZEN POSSIBLE FIELD TRIAL SITES IN THE OFFICES OF FEDERAL DEPARTMENTS AND CROWN AGENCIES. WE HAVE DEFINED OUR FIELD TRIAL POLICY AND FUNDING GUIDELINES AND ARE NOW IN THE PROCESS OF SELECTING THE MOST APPROPRIATE TEST SITES AND PROJECT PROPOSALS.

A PRELIMINARY FIELD TRIAL FEASIBILITY STUDY HAS BEGUN IN THE ADMINISTRATIVE POLICY BRANCH OF TREASURY BOARD. WE HAVE ALSO BEGUN THE FIRST SMALL EQUIPMENT TRIAL, A PILOT PROJECT TO TEST AN OPTICAL CHARACTER RECOGNITION SYSTEM MADE BY HI-TECH, THE ONLY MANUFACTURER OF SUCH PRODUCTS IN CANADA. A NUMBER OF THESE CHARACTER READERS HAVE BEEN PLACED IN GOVERNMENT OFFICES FOR EVALUATION. OUR FIRST HUMAN-IMPACT STUDY, A SMALL-SCALE EVALUATION OF THE EFFECTS OF THE INTRODUCTION OF A NEW TEXT-TRANSMISSION FACILITY AT THE DEPARTMENT OF SUPPLY AND SERVICES, HAS RECENTLY BEEN COMPLETED.

OTHER FIELD TRIALS HAVE BEEN PLANNED FOR THE DEPARTMENT OF ENVIRONMENT, THE DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE, AND THE MINISTRY OF STATE FOR ECONOMIC DEVELOPMENT. A PROPOSED TRIAL IN THE DEPARTMENT OF COMMUNICATIONS WOULD INVOLVE A COMPREHENSIVE STUDY OF THE AUTOMATED OFFICE NEEDS OF MY OFFICE AND THOSE OF MY SENIOR OFFICIALS.

TO DATE, WE HAVE AWARDED TEN CONTRACTS WITH A TOTAL VALUE OF ABOUT \$350,000 TO VARIOUS FIRMS. THESE CONTRACTS ARE FOR STUDIES AND ANALYTICAL WORK RELATED TO THE ECONOMIC, BEHAVIORAL AND TECHNICAL ASPECTS OF OFFICE AUTOMATION. ONE OF THE MOST SIGNIFICANT OF THESE HAS BEEN AWARDED TO HICKLING PARTNERS INCORPORATED OF OTTAWA TO DEVELOP A METHODOLOGY FOR THE STUDY OF OFFICE SYSTEMS AND PRODUCTIVITY. THIS STUDY WAS COMMISSIONED AFTER WE CONDUCTED A NATION-WIDE SURVEY OF OFFICE SYSTEMS CONSULTANTS WHICH INDICATED THAT THERE SEEMED TO BE NO STANDARDIZED APPROACH TO ASSESSING THE EFFECTIVENESS OF OFFICE ACTIVITIES.

THE RESULTS OF THIS WORK WILL BE PUBLISHED IN THE SPRING. THE STUDY HAS GENERATED A GREAT DEAL OF INTEREST AMONG PROFESSIONALS IN THE MANAGEMENT CONSULTING FIELD. WE HAVE BEEN TOLD THAT IT WILL BE VALUABLE TO THEM IN ESTABLISHING BASIC BENCHMARKS -- WHAT TO MEASURE, AND HOW TO MEASURE, WHEN ASSESSING OFFICE SYSTEMS.

THE RESULTS OF OUR SURVEY OF MANAGEMENT CONSULTANTS HAVE ALREADY BEEN PUBLISHED. THIS PUBLICATION LISTS SOME 50 CANADIAN OFFICE-SYSTEM CONSULTING ORGANIZATIONS AND DESCRIBES THEIR AREAS OF EXPERTISE. WE ARE NOW STUDYING THE POSSIBILITY OF COMPILING A SIMILAR CATALOGUE OF ALL CANADIAN COMPANIES THAT PRODUCE OFFICE EQUIPMENT. THIS PUBLICATION WOULD BE MADE AVAILABLE TO ANYONE INTERESTED IN PURCHASING OFFICE PRODUCTS.

THE OCS PROGRAM HAS ALSO INDUCED SEVERAL COMPANIES TO PROPOSE TECHNOLOGY DEVELOPMENT PROJECTS IN THE PRIVATE SECTOR. TWO OF THESE HAVE RECEIVED PRODUCT DEVELOPMENT ASSISTANCE FROM MY COLLEAGUE, HERB GRAY, THE MINISTER OF INDUSTRY, TRADE AND COMMERCE, WHO IS CO-OPERATING WITH US IN THE OCS PROGRAM AND PROVIDING GRANTS UNDER THE ENTERPRISE DEVELOPMENT PROGRAM AND SIMILAR ASSISTANCE PROGRAMS.

MY DEPARTMENT HAS ALSO RECEIVED A NUMBER OF EXCITING PROPOSALS FROM INDUSTRY FOR FIELD TRIAL PROJECTS. THESE PROPOSALS COVER MANY IMPORTANT ASPECTS IN THE DEVELOPMENT OF INTEGRATED OFFICE SYSTEMS. THEY RANGE FROM THE MANUFACTURING IN CANADA OF INTELLIGENT WORK STATIONS AND COMMUNICATIONS HARDWARE TO THE DEVELOPMENT OF NEW SOFTWARE AND THE CREATION OF SIMPLER, MORE EFFECTIVE WAYS TO STORE AND RETRIEVE LARGE QUANTITIES OF DIVERSE INFORMATION. DURING THE REMAINDER OF PHASE ONE OF THE OCS PROGRAM, WE EXPECT TO FUND PRIVATE-SECTOR FEASIBILITY STUDIES FOR FOUR SEPARATE FIELD TRIAL PROPOSALS. I HOPE TO BE ABLE TO MAKE IMPORTANT ANNOUNCEMENTS IN THIS REGARD WITHIN A MATTER OF WEEKS.

PERHAPS THE MOST IMPORTANT SINGLE GOAL OF THE OCS PROGRAM IS THE CREATION OF A STRONG CANADIAN-BASED OFFICE AUTOMATION INDUSTRY. ONE MEANS TO ACCOMPLISH THIS HAS BEEN TO PERSUADE CANADIAN COMPANIES TO BROADEN THEIR HORIZONS AND LOOK BEYOND THEIR OWN SPECIAL AREAS OF EXPERTISE. AUTOMATED SYSTEMS CANNOT BE EFFECTIVELY DEVELOPED ONE PIECE AT A TIME. THEY MUST BE DESIGNED AS PART OF A LARGER SYSTEM THAT SERVES NOT JUST THE NEEDS OF A SINGLE OFFICE OR DEPARTMENT, BUT OF ENTIRE ORGANIZATIONS.

THE OFFICE COMMUNICATIONS SYSTEMS PROGRAM HAS SERVED AS A CATALYST TO ENCOURAGE CANADIAN COMPANIES WITH DIVERSE INTERESTS TO COMBINE THEIR EFFORTS IN OFFICE SYSTEM DEVELOPMENT. SEVERAL CONSORTIUMS HAVE BEGUN TO EMERGE AS THE RESULT OF THE CHALLENGE I OUTLINED TO INDUSTRY LAST YEAR.

OF PARTICULAR INTEREST WAS THE CREATION LAST AUGUST OF THE OFFICE COMMUNICATIONS RESEARCH ASSOCIATES (OCRA) CONSORTIUM TO DEVELOP PRODUCTS AND SERVICES FOR THE OFFICE OF THE FUTURE. OCRA'S MEMBER COMPANIES INCLUDE THE NABU MANUFACTURING CORPORATION, GANDALF DATA LIMITED, CNCP TELECOMMUNICATIONS, THE CABLE TELEVISION RESEARCH INSTITUTE, TÉLÉCABLE LAURENTIEN INCORPORATED, OTTAWA CABLEVISION LIMITED AND SKYLINE CABLEVISION LIMITED. TOGETHER, THESE COMPANIES HAVE THE RESOURCES TO PROVIDE COMPUTER-BASED WORKSTATIONS AND INTERNATIONAL TELECOMMUNICATION LINKS AND TO DEVELOP NEW WAYS TO DISTRIBUTE DATA, VOICE AND VIDEO SERVICES BY COAXIAL CABLE AND OTHER NETWORKS. BY COMBINING THEIR

EXPERIENCES IN RESEARCH, DEVELOPMENT, MANUFACTURING AND THE DELIVERY OF SERVICES, THIS TYPE OF CONSORTIUM CAN OFFER UNIQUE OPPORTUNITIES TO CANADIAN INDUSTRY.

APART FROM THE INDUSTRIAL DEVELOPMENT ASPECTS, WE ARE ALSO EXTREMELY INTERESTED IN THE HUMAN FACTORS OF THE OFFICE OF THE FUTURE. THIS, AS I HAVE SAID, MEANS ANALYSING THE OFFICE OF TODAY SO THAT WE CAN BETTER UNDERSTAND THE IMPACT OF NEW TECHNOLOGIES.

IN TODAY'S GLOBAL ECONOMIC CONDITIONS, EFFECTIVE OFFICE OPERATIONS MAY MEAN THE DIFFERENCE BETWEEN SURVIVAL AND BANKRUPTCY FOR MANY BUSINESSES. EVERY COMPANY IS COMPETING FOR SCARCE RESOURCES SUCH AS CAPITAL AND SKILLED PERSONNEL. TRADITIONALLY, BUSINESS AND INDUSTRY HAVE TRIED TO STRETCH THEIR RESOURCES BY TURNING TO TECHNOLOGY TO IMPROVE PRODUCTIVITY. BUT THE OLD METHODS OF MEASURING INDUSTRIAL PRODUCTIVITY CANNOT BE APPLIED TO MANAGERS, PROFESSIONALS OR SECRETARIES. IN INDUSTRY, WE WOULD SAY AN OPERATION HAD BECOME MORE EFFICIENT IF THERE WERE A DECREASE IN THE COST OF PRODUCING THE PRODUCT OR AN INCREASE IN THE OUTPUT.

THIS FORMULA DOES NOT APPLY IN THE OFFICE. CERTAINLY, WE CAN DEMONSTRATE THAT A WORD PROCESSOR SAVES A TYPIST FROM RETYPING THE SAME COPY MANY TIMES. BUT WHAT HAVE WE REALLY ACHIEVED IF TYPING ACCOUNTS FOR ONLY 1.2 PER CENT OF THE COST OF RUNNING A BUSINESS? THE VALUE OF A WORD PROCESSOR SHOULD BE MUCH MORE THAN TYPING FASTER OR TYPING GREATER QUANTITIES. THE COST OF PRODUCING A REPORT MAY BE LESS PER PAGE, BUT IF THE INFORMATION DOES NOT ARRIVE IN THE RIGHT PLACE AT THE RIGHT TIME, NO EFFECTIVENESS HAS BEEN ADDED TO THE SYSTEM. AS FOR VOLUME, MOST MANAGERS CANNOT HANDLE THE FLOOD OF PAPER THEY HAVE NOW. WHAT THEY NEED IS NOT MORE PAPER, BUT A BETTER QUALITY OF INFORMATION, DELIVERED IN A MORE TIMELY MANNER. THIS MEANS ELECTRONIC DELIVERY OF THE INFORMATION. IT MEANS INSTANT ACCESS TO INFORMATION, WHETHER IT IS COMING FROM THE PERSON WORKING NEXT TO YOU, OR FROM SOMEONE IN ANOTHER ORGANIZATION THOUSANDS OF MILES AWAY. TOO OFTEN,

MANAGERS PLACE TERMINALS IN DATA AND WORD PROCESSING CENTRES, AND THEN TURN OFF THE INFORMATION FLOW AT THE SOURCE BY INSISTING THAT IT BE PRODUCED IN PRINTED FORM FOR SENIOR EXECUTIVES. THIS IS BECAUSE TOO MANY MANAGERS REGARD THE NEW EQUIPMENT AS A FRILL WHICH HAS NO PLACE ON EXECUTIVE DESKS.

THEY FAIL TO REALIZE THE SAVINGS IN TIME AND LABOR THAT CAN BE REALIZED THROUGH AN OFFICE SYSTEM THAT EXTENDS THE POWER OF COMPUTERS AND COMMUNICATIONS INTO ALL LEVELS OF AN ORGANIZATION.

CONVERSELY, CENTRAL SERVICE BRANCHES OF ORGANIZATIONS ARE OFTEN RELUCTANT TO SEE THE TECHNOLOGY OF WORD PROCESSORS OR DATA TERMINALS DIFFUSED THROUGHOUT THEIR ORGANIZATIONS. TO ME, THIS SEEMS TO BE AN IRRATIONAL ATTEMPT TO LIMIT THE POWER AND PRODUCTIVITY GAINS THAT CAN BE HAD WHEN MANAGERS AND THEIR STAFF HAVE THEIR OWN TERMINALS.

ONE OF THE LAST OFFICE WORKERS TO SUCCUMB TO AUTOMATION IS THE MANAGER. AS YOU KNOW, MANAGERS, PROFESSIONALS AND TECHNOLOGISTS ACCOUNT FOR 60 PER CENT OF TOTAL OFFICE COSTS, OR \$40 BILLION EACH YEAR IN CANADA. YET THEY ARE GENERALLY THE LAST TO BE LINKED TO THE INFORMATION FLOW THROUGH OFFICE AUTOMATION. THE PROCESS IS UNDERWAY IN SOME ORGANIZATIONS, BUT OTHERS ARE STILL UNCERTAIN ABOUT WHETHER THEIR TIME WOULD BE SPENT MORE EFFECTIVELY IF THEY HAD DIRECT ACCESS TO WORK IN PROGRESS THROUGH A DESK-TOP TERMINAL. OTHERS ARE CONCERNED THAT THEIR MANAGEMENT SKILLS MIGHT BECOME OUTDATED IN THE FACE OF THESE NEW TECHNOLOGIES. THESE CONCERNS ARE UNDERSTANDABLE, BUT UNJUSTIFIED. EXECUTIVES SHOULD REGARD THESE NEW SYSTEMS AS AN OPPORTUNITY, RATHER THAN AN UNWANTED OBSTACLE.

A GREAT DEAL OF CONCERN HAS ALSO BEEN RAISED ABOUT THE EFFECT OF THESE CHANGES ON CLERICAL WORKERS. TOO OFTEN, THOSE AFFECTED ADVERSELY BY NEW TECHNOLOGIES IN THE OFFICE HAVE BEEN WOMEN. SINCE THE DAYS OF THE FIRST TYPEWRITERS, TOO MANY HAVE BEEN TRAPPED IN AN EMPLOYMENT GHETTO AND CUT OFF FROM THE MAINSTREAM OF CAREER DEVELOPMENT. WE HAVE ELECTRIFIED THE TYPING POOL, AND NOW WE ARE

COMPUTERIZING IT. BUT HAVE WE REALLY APPLIED THE TECHNOLOGY IN A MANNER THAT MAKES THE MOST EFFECTIVE USE OF HUMAN RESOURCES? DOES IT MAKE SENSE TO GIVE INTELLIGENT, CAPABLE PEOPLE A HIGHLY SOPHISTICATED PIECE OF EQUIPMENT SUCH AS A WORD PROCESSOR, AND THEN TURN THEM INTO DIGITAL ATHLETES?

FORTUNATELY, THIS NEED NOT BE THE CASE. MORE AND MORE ORGANIZATIONS ARE RECOGNIZING THAT THE COMMUNICATING WORD PROCESSING MACHINE WILL BE THE HEART OF THE OFFICE OF TOMORROW. THEY ARE RECOGNIZING THE MANY APPLICATIONS IT CAN HAVE BESIDES SIMPLE TYPING AND THEY ARE TRAINING THEIR STAFF TO PERFORM NEW TASKS. AS THE WORD PROCESSOR EVOLVES INTO THE INTELLIGENT WORKSTATION, CONNECTED TO A NETWORK OF SIMILAR MACHINES, IT OFFERS THE POTENTIAL OF MORE CHALLENGING AND INTERESTING WORK FOR THOSE WHO USE THE EQUIPMENT.

BUT THERE IS STILL MUCH WORK TO BE DONE IN EDUCATING OFFICE MANAGERS AND OTHERS ABOUT THE POTENTIAL OF THE SYSTEM. WE NEED TO TRAIN NOT JUST EQUIPMENT OPERATORS, BUT SYSTEM USERS. AND WE NEED TO EDUCATE THEM ABOUT HOW THEY CAN APPLY THEIR EQUIPMENT TO NEW USES, AND HOW THEIR ROLES WILL CHANGE IN THE LIGHT OF THESE NEW USES.

EDUCATION ABOUT THE OFFICE OF THE FUTURE MUST BE CONDUCTED AT EVERY LEVEL. WE MUST TRAIN EVERYONE, FROM SCHOOL CHILDREN TO CORPORATE CHIEFS. WE MUST MINIMIZE THE TECHNOLOGICAL DISPLACEMENT OF WORKERS BY RETRAINING THOSE WHOSE WORK WILL BE AFFECTED. THE BUSINESS COMMUNITY HAS A RESPONSIBILITY TO WORKERS, AS DOES GOVERNMENT. WE CANNOT CONTINUE TO BLAME THE EDUCATIONAL SYSTEM FOR THE SHORTAGE OF SKILLED WORKERS IF WE ARE NOT PREPARED AS EMPLOYERS TO BEAR THE COSTS OF UPGRADING THE SKILLS OF OUR OWN EMPLOYEES.

YOUR ASSOCIATION HAS AN IMPORTANT PART TO PLAY IN THIS EDUCATIONAL PROCESS. THROUGH THIS CONFERENCE AND OTHERS LIKE IT, YOU ARE TRYING TO FIND WAYS TO MAKE EQUIPMENT AND SYSTEMS MEET THE NEEDS OF HUMAN BEINGS.

WHAT YOU LEARN HERE IN THE NEXT FEW DAYS WILL UNDOUBTEDLY BE SHARED WITH OTHERS IN YOUR OWN ORGANIZATIONS. OBSERVERS FROM MY OWN DEPARTMENT WILL ALSO BE HERE TO LEARN AND TO LISTEN TO YOUR IDEAS AND CONCERNS. IT CANNOT BE STRESSED TOO OFTEN THAT THE SUCCESS OF THE OFFICE OF THE FUTURE DEPENDS ON CLOSE CO-OPERATION AND CONSULTATION BETWEEN GOVERNMENT AND INDUSTRY. I WOULD URGE YOU ALL TO BECOME INVOLVED WITH THE OFFICE OF THE FUTURE PROGRAM SO THAT WE MAY LEARN FROM EACH OTHER.



STATEMENT BY
THE HONOURABLE FRANCIS FOX
MINISTER OF COMMUNICATIONS
IN RESPECT OF AN ORDER IN COUNCIL
TO FURTHER VARY TELECOM DECISION CRTC 81-13
AND TO GIVE DIRECTION TO TELESAT CANADA,
BELL CANADA AND BRITISH COLUMBIA TELEPHONE
ON THE PROVISION OF SATELLITE SERVICES

THURSDAY DECEMBER 10, 1981



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ON JULY 7, 1981, THE CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION (CRTC) ISSUED TELECOM DECISION 81-13 RELATED TO APPLICATIONS BY BELL CANADA (BELL), BRITISH COLUMBIA TELEPHONE COMPANY (B.C. TEL) AND TELESAT CANADA (TELESAT) DEALING WITH "INCREASES AND DECREASES IN RATES FOR SERVICES AND FACILITIES FURNISHED ON A CANADA-WIDE BASIS BY MEMBERS OF THE TRANSCANADA TELEPHONE SYSTEM (TCTS) AND RELATED MATTERS."

ON JULY 23, 1981, THE GOVERNOR IN COUNCIL RECEIVED A PETITION FROM THE MEMBER COMPANIES OF TCTS REQUESTING HIM TO VARY SOME PARTS OF THE DECISION. OTHER SUBMISSIONS WERE RECEIVED FROM USERS, CARRIERS, AND PROVINCIAL GOVERNMENTS, SOME OF WHICH SUPPORTED THE DECISION AND OTHERS FAVORED VARYING IT. ON JULY 29, 1981 THE GOVERNOR IN COUNCIL, ON HIS OWN MOTION BY ORDER IN COUNCIL 1981-2151, VARIED THE CRTC DECISION BY DELAYING THE DATE BY WHICH TELESAT CANADA IS REQUIRED TO FILE TARIFFS IN ACCORDANCE WITH PART V OF THE DECISION. IN A PUBLIC STATEMENT ISSUED THE SAME DAY, THE MINISTER OF COMMUNICATIONS SAID: "THIS ACTION BY THE GOVERNOR IN COUNCIL WAS TAKEN IN ORDER THAT THE GOVERNMENT MIGHT REVIEW THE NATIONAL POLICY IMPLICATIONS OF THE CRTC DECISION AND, IF IT WERE DEEMED APPROPRIATE, THEREAFTER FURTHER VARY OR RESCIND THE DECISION."

ORDER IN COUNCIL 1981-2151 WAS AMENDED ON NOVEMBER 26, 1981, BY POSTPONING UNTIL DECEMBER 31, 1981, THE DATE BY WHICH TELESAT IS REQUIRED TO FILE ITS TARIFFS.

THE GOVERNOR IN COUNCIL HAS RECEIVED A NUMBER OF SUBMISSIONS REPRESENTING A WIDE RANGE OF INTERESTS AND CONCERNS, AND REQUESTING THAT CRTC DECISION 81-13 BE EITHER MAINTAINED, VARIED OR RESCINDED, PURSUANT TO SUBSECTION 64(1) OF THE NATIONAL TRANSPORTATION ACT.

FOLLOWING A REVIEW OF THE CRTC DECISION AND THE INFORMATION PROVIDED BY THE SUBMISSIONS DURING THE COURSE OF THE HEARINGS AND SUBSEQUENT TO THE DECISION, THE GOVERNOR IN COUNCIL, PURSUANT TO SUBSECTION 64(1) OF THE NATIONAL

TRANSPORTATION ACT, ON HIS OWN MOTION, HAS DECIDED TO FURTHER VARY CRTC DECISION 81-13 OF JULY 7, 1981. THE GOVERNOR IN COUNCIL'S ACTION RETAINS THE MANY POSITIVE FEATURES OF THE CRTC DECISION, SUCH AS IMPROVING ACCESS TO SATELLITE FACILITIES AND SERVICES BY BROADCASTERS AND BUSINESS USERS. IN ADDITION, IT IS CONSISTENT WITH THE GOVERNMENT'S POLICY, ESTABLISHED IN 1969, THAT TELESAT SHOULD BE A COMPLEMENT TO, RATHER THAN A COMPETITOR OF, THE OTHER TELECOMMUNICATIONS CARRIERS. SPECIFICALLY, THE DECISION OF THE GOVERNOR IN COUNCIL WILL:

1. REQUIRE TELESAT TO FILE WITH THE CRTC BY JANUARY 15, 1982, A REVISED TARIFF WHICH ALLOWS WHOLE SATELLITE CHANNELS, CAPABLE OF CARRYING ONE COLOR TV PROGRAM, TO BE LEASED BY BROADCASTING UNDERTAKINGS (INCLUDING BROADCASTING NETWORKS) FOR PURPOSES PURSUANT TO THE BROADCASTING ACT, AND APPROVED BY THE CRTC, AND BY APPROVED COMMON CARRIERS LISTED IN THE CONNECTING AGREEMENT BETWEEN TELESAT AND TCTS.
2. REQUIRE TELESAT TO FILE WITH THE CRTC BY JANUARY 15, 1982, A REVISED TARIFF WHICH ALLOWS PARTIAL SATELLITE CHANNELS TO BE LEASED ONLY BY THE APPROVED COMMON CARRIERS.
3. REQUIRE TELESAT TO FILE WITH THE CRTC BY JANUARY 15, 1982, ALL THE OTHER ITEMS WHICH THE CRTC DIRECTED IT TO FILE IN ITS DECISION.
4. REQUIRE BELL CANADA AND B.C. TEL TO FILE WITH THE CRTC, BY FEBRUARY 15, 1982, STANDARD ITEMS IN THEIR GENERAL TARIFF FOR PRIVATE LINE SERVICES PROVIDED BY PARTIAL SATELLITE CHANNELS, INCLUDING BUT NOT LIMITED TO VOICE, DATA, VIDEO, AND RADIO PROGRAMMING SERVICES, AND RATE SCHEDULES FOR THESE SERVICES THAT ARE INSENSITIVE TO DISTANCE AND NUMBER OF LOCATIONS SERVED.

THE GOVERNOR IN COUNCIL DID NOT VARY ANY OTHER ASPECTS OF THE CRTC DECISION.

IN MAKING THIS ANNOUNCEMENT, THE GOVERNMENT DRAWS ATTENTION TO A NUMBER OF FACTORS WHICH WERE CONSIDERED BY THE GOVERNOR IN COUNCIL IN ARRIVING AT HIS DECISION. THE GOVERNOR IN COUNCIL REVIEWED A NUMBER OF PUBLIC POLICY OBJECTIVES WHICH HAVE GOVERNED THE ROLE OF TELESAT SINCE ITS INCEPTION IN 1969. HE ALSO TOOK FULL ACCOUNT OF THE VIEWS OF THE CRTC, AND GAVE PARTICULAR ATTENTION TO THE CONCERNS EXPRESSED BY BROADCASTERS AND POTENTIAL BUSINESS USERS, BOTH DURING THE CRTC HEARING AND IN SUBSEQUENT SUBMISSIONS TO THE GOVERNOR IN COUNCIL. THE CONCERN OF THE USER GROUPS WAS THAT THE 1976 CONNECTING AGREEMENT BETWEEN TELESAT AND OTHER MEMBERS OF THE TRANSCANADA TELEPHONE SYSTEM IMPOSED UNDUE RESTRICTIONS ON TELESAT'S MARKETING OF SATELLITE SERVICES BY REQUIRING IT TO DEAL ONLY WITH APPROVED COMMON CARRIERS AND TO LEASE ONLY FULL CHANNELS, THEREBY LIMITING THE AVAILABILITY OF SATELLITE SERVICES.

THE GOVERNOR IN COUNCIL DECISION RESPONDS TO THE NEEDS AND EXPECTATIONS OF BROADCASTERS AND POTENTIAL BUSINESS USERS OF SATELLITES. BROADCASTERS WILL NOW BE ABLE TO LEASE FROM TELESAT WHOLE CHANNELS AS WAS THE CASE PRIOR TO THE CONNECTING AGREEMENT, AND IN ACCORDANCE WITH THE CRTC DECISION 81-13. BUSINESS USERS, FOR THEIR PART, WILL NOW BE ABLE TO LEASE SERVICES BASED ON PARTIAL SATELLITE CHANNELS FROM APPROVED COMMON CARRIERS, IN INCREMENTS SUITED TO THEIR NEEDS, ACCORDING TO A FILED TARIFF. THIS APPROACH IS EXPECTED TO FOSTER COMPETITION BETWEEN MEMBERS OF TCTS AND CNCP, AND THUS ENCOURAGE THE INCREASED UTILIZATION OF SATELLITE TECHNOLOGY, THEREBY MAKING SATELLITE-BASED SERVICES AVAILABLE TO CANADIANS AT THE LOWEST POSSIBLE COST. THIS APPROACH IS ALSO CONSISTENT WITH THE GOVERNMENT'S VIEW THAT THE PUBLIC INTEREST IS WELL SERVED BY AN ELEMENT OF COMPETITION IN THE PROVISION OF TELECOMMUNICATIONS SERVICES AND FACILITIES THAT CLEARLY FALL OUTSIDE THE FAMILY OF MONOPOLY TELEPHONE SERVICES.

FURTHERMORE, THE DECISION OF THE GOVERNOR IN COUNCIL SUPPORTS THE ARRANGEMENTS FOR THE FINANCING AND UTILIZATION OF THE NEXT FIVE SATELLITES THAT TELESAT IS SCHEDULED TO LAUNCH STARTING IN 1982. THESE ARRANGEMENTS RESULT FROM THE ACTIONS OF THE GOVERNOR IN COUNCIL IN 1977, WHEN HE VARIED CRTC DECISION 77-10 SO AS TO APPROVE THE AGREEMENT BETWEEN TELESAT AND TCTS. THE AGREEMENT INVOLVED COMMITMENTS BY BOTH PARTIES: TELESAT COMMITTED ITSELF TO THE CONSTRUCTION OF A NEW SERIES OF SATELLITES, AND TCTS UNDERTOOK TO PROVIDE FINANCIAL AND UTILIZATION GUARANTEES TO TELESAT. IMPLEMENTATION OF TELESAT'S NEW SATELLITES IS NOW IRREVOCABLY UNDERWAY, AND TWO OF THESE WILL BE LAUNCHED IN 1982. THE FUTURE OF TELESAT DURING THESE CRITICAL YEARS CAN BEST BE ASSURED IF THE CORPORATION REMAINS A MEMBER OF TCTS. THIS WILL ALLOW THE TWO PARTIES TO FULFILL THEIR CONTRACTUAL ARRANGEMENTS TO EACH OTHER, AND TO THE CANADIAN SPACE MANUFACTURING INDUSTRY. THE GOVERNMENT REAFFIRMS ITS SUPPORT FOR THESE COOPERATIVE ARRANGEMENTS, AND FIRMLY BELIEVES THAT THEY BEST SERVE THE NEEDS OF ALL CANADIANS. ON THE OTHER HAND, THE GOVERNMENT BELIEVES THAT ANY FUNDAMENTAL CHANGE IN THE ROLE OF TELESAT COULD HAVE SERIOUS IMPLICATIONS AT THIS TIME, POSSIBLY MAKING SATELLITE SERVICES MORE COSTLY, AND RESULTING IN ADVERSE EFFECTS ON EMPLOYMENT IN THE CANADIAN SPACE INDUSTRY.

IN ITS DECISION CRTC 81-13, THE COMMISSION ALSO DIRECTED BELL CANADA AND B.C. TEL TO SEEK TO RENEGOTIATE WITH OTHER MEMBERS OF TCTS CERTAIN ASPECTS OF THE ARRANGEMENTS CALLED THE REVENUE SETTLEMENT PLAN. AS A RESULT, SOME PETITIONERS HAVE EXPRESSED CONCERN THAT THE CHANGES IN PROCEDURES AND PRACTICES PROPOSED BY THE CRTC DECISION COULD AFFECT THE PROVISION OF CERTAIN TELECOMMUNICATIONS SERVICES ON A NATIONAL AND INTERNATIONAL BASIS. THE GOVERNOR IN COUNCIL SUPPORTS THE CRTC IN THE EXERCISE OF ITS REGULATORY AUTHORITY OVER THE COMPANIES UNDER ITS JURISDICTION. MOREOVER HE NOTED THAT THE CRTC HAS SIMPLY REQUESTED THAT THE PARTIES SEEK TO RENEGOTIATE THEIR AGREEMENT. ACCORDINGLY, THE GOVERNMENT WISHES TO STRESS AT THIS TIME THE IMPORTANCE IT ATTACHES TO COOPERATIVE ARRANGEMENTS WHICH PROMOTE THE IMPLEMENTATION OF TELECOMMUNICATIONS NETWORKS AND SERVICES ON A NATIONAL BASIS AND WHICH RECOGNIZE REGIONAL DIFFERENCES IN ECONOMIC CAPACITY TO PROVIDE THEM.

THE GOVERNMENT EXPECTS THAT TELESAT, CARRIERS, BROADCASTERS AND BUSINESS USERS WILL REACT POSITIVELY TO THE OPPORTUNITY AND RESPONSIBILITY WHICH EACH GROUP NOW HAS TO PUT COMMUNICATIONS SATELLITES TO EFFECTIVE USE AND, BY DOING SO, TO MAINTAIN CANADA'S LEADERSHIP IN THE DEVELOPMENT, MANUFACTURE AND USE OF THIS TECHNOLOGY. BECAUSE OF ITS OWN COMMITMENT TO THE DEVELOPMENT OF A SATELLITE INDUSTRIAL CAPABILITY AND AS THE MAJOR SHAREHOLDER IN TELESAT, THE GOVERNMENT WILL FOLLOW CLOSELY THE IMPLEMENTATION OF THIS DECISION.

SP-81-35

STATEMENT BY
MINISTER OF COMMUNICATIONS
FRANCIS FOX
CONCERNING THE GOVERNOR-IN-COUNCIL
REVIEW OF CRTC PAY TELEVISION
LICENSING DECISION 82-240

FRIDAY, MAY 14, 1982



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STATEMENT OF THE MINISTER OF COMMUNICATIONS
CONCERNING THE GOVERNOR-IN-COUNCIL REVIEW
OF CRTC PAY TELEVISION LICENSING DECISION

On March 18, 1982, the CRTC issued Decision CRTC 82-240 in which it issued six (6) licences to provide pay television services in Canada. Under section 23(1) of the Broadcasting Act the Governor in Council may, within sixty days, set aside or refer back to the CRTC for reconsideration the issue, amendment or renewal of any broadcasting licence.

A number of submissions have been received by the Governor in Council from interested parties with respect to Decision CRTC 82-240 asking that the Decision be referred back to the Commission. Others have expressed support for the Decision.

The Governor in Council has decided neither to refer back nor set aside the issue of the six pay television licences contained in Decision CRTC 82-240 of March 18, 1982.

In reaching this conclusion the Governor in Council considered a number of major factors.

The Governor in Council considers that national pay service in both official languages is essential for Canada and is satisfied that the CRTC Decision has provided this. It is pleased to note that, in response to submissions respecting Decision CRTC 82-240, First Choice Canadian Communications Corporation reiterated its "intention to offer a 24 hour French language service for the entire term of our licence". The Governor in Council firmly believes that all Canadians are entitled to broadcasting service in both French and English and the provision of this service in both official languages, as set out in the Broadcasting Act, remains a priority of the Government. The Governor in Council notes that the CRTC has also called for applications for French regional service by June 18, 1982.

The Governor in Council believes that pay television will benefit Canadian viewers and the Canadian program production industry. It believes moreover that the pay television system set in place by the CRTC decision has the potential of providing a range of benefits to the Canadian program production industry from all regions of the country. It also has the potential to provide more consumer choice. It should stimulate development of the Canadian cable industry, of the satellite and electronic manufacturing industries and help to put in place the infrastructure for a range of new programming and non-programming services. In addition, the Government wishes to take this opportunity to express its desire that the advent of pay television in Canada assist in ensuring a stronger base for Canadian distribution companies.

A major concern of the Governor in Council is the deleterious impact of further delays in introducing pay television. Introduction of pay television in Canada is desirable now to meet the demands of the Canadian public for additional choice in broadcasting services and to provide stimulation of the Canadian program production industry.

Several submissions expressed concern with the multiple licence structure of pay television and its impact on the Canadian program production industry.

The Governor in Council recognizes the element of risk entailed in the multiple licence structure. However it believes risk is inevitable in the growing competitive environment which the Canadian broadcasting system is increasingly facing.

The Governor in Council notes the Canadian content requirements established by the Commission in the proposed regulations and conditions of licence and the proposed increase in Canadian content levels over the licence period. The licences issued by the CRTC are for a five-year period, expiring on March 1, 1987. The Commission in its decision stated that it would "consider denial of applications to renew the licences of those who have failed to contribute to the achievement of the Commission's objectives for pay television by reason of their non-compliance with the conditions of their licence." The Governor in Council fully agrees with this aspect of the decision and strongly supports this attitude on the part of the CRTC.

The Governor in Council has noted the recent discussions concerning the idea of a universal television service to be supported by a mandatory fee added to cable subscribers' monthly accounts. It has also noted the fact that the CRTC intends to hold an issue hearing in the near future. The Government will follow the discussions on this matter with interest.

The Governor in Council has noted the concerns expressed by some appellants with respect to the development of broadcasting and cultural policies for the 1980's. The Federal Cultural Policy Review Committee is conducting a major review of arts and culture in Canada and is expected to make known its recommendations this fall. In its response to the Federal Cultural Policy Review Committee's recommendations, the Government will take account of the dynamic and increasingly competitive environment in which the Canadian broadcasting system will have to function in the decade ahead and the need to respond to the desire of Canadians for a Canadian broadcasting system which assures an essential role for Canadian programming.

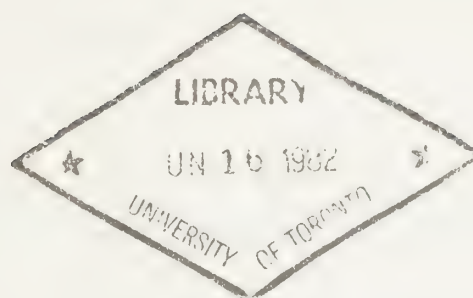
While pay television is an important element to achieve this objective and while it attracts a great deal of attention at this moment, the Governor in Council considers that it is not the only measure required to ensure the attainment of this objective. The increasingly competitive context in which Canadian programming will have to develop, will require a number of additional measures emphasizing development of Canadian production and creativity.

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CHECK AGAINST DELIVERY



NOTES FOR AN ADDRESS

BY THE HONOURABLE FRANCIS FOX

MINISTER OF COMMUNICATIONS

ON THE OCCASION OF THE HANDOVER OF THE ANIK D-1 SATELLITE

AT THE DAVID FLORIDA LABORATORY

OTTAWA, ONTARIO

MAY 18, 1982



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IT IS A GREAT PLEASURE TO BE HERE THIS MORNING. WE ARE WITNESSING AN EVENT OF HISTORICAL SIGNIFICANCE TO THE CANADIAN SPACE INDUSTRY -- THE HANDOVER BY SPAR AEROSPACE OF ANIK D TO TELESAT CANADA. IT IS SIGNIFICANT BECAUSE IT MARKS THE FIRST TIME A CANADIAN DOMESTIC COMMUNICATIONS SATELLITE HAS BEEN BUILT BY A CANADIAN PRIME CONTRACTOR. THIS EVENT FOLLOWS THE PLAN APPROVED THREE YEARS AGO BY THEN MINISTER OF COMMUNICATIONS, THE HONOURABLE JEANNE SAUVÉ. I AM SURE SHE IS PLEASED BY TODAY'S PROCEEDINGS.

SPAR HAS FULLY MET ALL THE CRITICAL TECHNICAL REQUIREMENTS AND FINANCIAL COMMITMENTS INVOLVED IN THIS UNPRECEDENTED VENTURE -- AND ON SCHEDULE. WITH REAL SATISFACTION AND PERSONAL PLEASURE, I OFFER MR. CLARKE THE WARM APPRECIATION AND CONGRATULATIONS OF THE GOVERNMENT OF CANADA. I WOULD ASK HIM TO PASS ON OUR CONGRATULATIONS TO THE HIGHLY TALENTED AND DILIGENT TEAM HE HAS ASSEMBLED.

PUT INTO PERSPECTIVE, THE GROUNDWORK FOR TODAY'S CEREMONY WAS LAID AT LEAST 20 YEARS AGO WHEN ALOUETTE I WAS LAUNCHED. THAT WAS CANADA'S FIRST SATELLITE. IT DEMONSTRATED BEYOND DOUBT THE POTENTIAL OF SATELLITE TECHNOLOGY FOR OUR COUNTRY.

IN OUR FIRST DECADE IN SPACE, WE CONCENTRATED ON RESEARCH AND ON BUILDING OUR EXPERTISE IN HIGH TECHNOLOGY. IN OUR SECOND DECADE, WE TURNED TO USING SPACE TECHNOLOGY TO MEET THE COMMUNICATION NEEDS OF CANADIANS. DURING THESE YEARS, TELESAT ESTABLISHED ITS NETWORK OF ANIK SATELLITES.

GOVERNMENT WORKED WITH BUSINESS, COMMUNITY AND PUBLIC INTEREST GROUPS TO EXPLORE WAYS IN WHICH SATELLITES COULD PROVIDE EXCITING NEW SERVICES SUCH AS TELE-MEDICINE, TELE-EDUCATION AND COMMUNITY COMMUNICATIONS.

AT THE SAME TIME, WE SUPPORTED DEVELOPMENT OF A DOMESTIC CAPABILITY FOR SPACECRAFT DESIGN AND MANUFACTURE. OUR AIM WAS TO ENSURE THAT OUR SATELLITES WERE DESIGNED SPECIFICALLY FOR OUR NEEDS AND MANUFACTURED WITH AS MUCH CANADIAN CONTENT AS POSSIBLE. WE WORKED TOWARDS A STRONG INDUSTRY CAPABLE OF MARKETING ITS PRODUCTS ABROAD.

HOW FULLY HAVE THESE OBJECTIVES BEEN MET? LET'S BRIEFLY REVIEW OUR ACCOMPLISHMENTS.

TELESAT CANADA IS A GOOD PLACE TO START. ESTABLISHED BY AN ACT OF PARLIAMENT IN 1969 WITH THE GOVERNMENT AS A MAJOR SHARE HOLDER, THE COMPANY HAS GROWN TO BECOME A \$300 MILLION ENTERPRISE, WITH REVENUES OF MORE THAN \$51 MILLION LAST YEAR. IN ADDITION TO ITS ACHIEVEMENTS IN MEETING THE COMMUNICATIONS NEEDS OF CANADIANS WHEREVER THEY MIGHT CHOOSE TO LIVE, TELESAT HAS USED ITS EXPERTISE TO WIN A PROFUSION OF INTERNATIONAL CONSULTING CONTRACTS.

TELESAT IS NOW EXPANDING ITS CAPACITY WITH TWO NEW SERIES OF SATELLITES: THE ANIK D'S AND C'S. AS ANIK A-3 NEARS THE END OF ITS USEFUL LIFE, ANIK D-1 WILL BE USED TO CONTINUE AND EXPAND DOMESTIC SERVICES, WITH 24 CHANNELS IN THE 6/4 GIGAHERTZ FREQUENCY BANDS. THE CAPACITY OF EACH ANIK D IS TWICE THAT OF THE FIRST ANIK SATELLITE LAUNCHED TEN YEARS AGO.

IN SIX MONTHS, THE NEXT SPACECRAFT, ANIK D-2, WILL BE READY FOR LAUNCH BY THE U.S. SPACE SHUTTLE. IT IS IN THE LAB TODAY, GOING THROUGH ITS BATTERY OF TESTS.

ALSO LATER THIS YEAR, THE FIRST OF TELESAT'S THREE ANIK C SATELLITES WILL BE LAUNCHED, PROVIDING COMMERCIAL SERVICE IN THE 14/12 GIGAHERTZ BAND. AS SUBCONTRACTOR TO HUGHES AIRCRAFT, SPAR HAS PROVIDED MAJOR SUBSYSTEMS FOR THESE SPACECRAFT AND CARRIED OUT MUCH OF THE INTEGRATION AND TESTING HERE AT THE DAVID FLORIDA LABORATORY.

THE INTRODUCTION OF THESE NEW SPACECRAFT COINCIDES WITH A GROWING DEMAND FOR CARRIAGE VIA SATELLITE OF TELEVISION AND RADIO SIGNALS AND FOR NEW BUSINESS APPLICATIONS SUCH AS NEWS WIRE SERVICES AND STOCK MARKET INFORMATION. TO MEET THOSE NEEDS, TELESAT IS BRINGING ON STREAM, THROUGH ITS ANIK C'S AND D'S, 96 NEW SATELLITE CHANNELS. THAT IS MORE THAN FOUR TIMES TODAY'S EXISTING CAPACITY.

OVER THE PAST SEVERAL YEARS, WE HAVE LOOKED FOR AND FOUND WAYS IN WHICH SATELLITE COMMUNICATIONS CAN DRAW THE COUNTRY TOGETHER, CAN LESSEN ISOLATION AND INCREASE THE CHOICE OF COMMUNICATION SERVICES AVAILABLE TO ALL CANADIANS, NO MATTER WHERE THEY LIVE. CANCOM IS A CASE IN POINT, PROVIDING A PACKAGE OF FOUR TV AND EIGHT RADIO CHANNELS TO VIEWERS IN REMOTE AREAS.

ANOTHER HIGHLIGHT OF THE LAST TEN YEARS CAME WITH OUR DEVELOPMENT OF DIRECT-TO-HOME BROADCASTING, PIONEERED BY HERMES AND ANIK B. WE EXPECT THAT SOME OF THE PILOT PROJECTS USING ANIK B WILL LEAD TO NEW COMMERCIAL SERVICES ON ANIK C, ESPECIALLY IN TELE-EDUCATION. ANIK B IS ALSO USED BY THE INUIT BROADCASTING CORPORATION TO DISTRIBUTE NATIVE PROGRAMMING TO SEVERAL NORTHERN COMMUNITIES.

AND LA SETTE, A CONSORTIUM OF QUEBEC CABLE COMPANIES, HAS BEEN OFFERING THE WORLD'S FIRST COMMERCIAL SERVICE IN THE 14/12 GIGAHERTZ BAND SINCE 1980, DISTRIBUTING VIDEOTAPED PROGRAMMING FROM FRANCE TO CABLE STATIONS IN QUEBEC.

AS WE HAVE ACHIEVED THESE AND OTHER GOALS IN PROVIDING COMMUNICATIONS SERVICES BY SATELLITE, WE HAVE SUCCEEDED IN DEVELOPING A WORLD-CLASS SPACE INDUSTRY.

THE ANIK D-1 IS A SOPHISTICATED PIECE OF HARDWARE, BUILT BY A CANADIAN PRIME CONTRACTOR FOR USE BY A CANADIAN CARRIER. THE SUCCESSFUL COMPLETION OF THIS SPACECRAFT COULD BE SAID TO MARK THE COMING OF AGE OF THIS \$200-MILLION-A-YEAR INDUSTRY -- NOT ONLY THROUGH SPAR, BUT ALSO THROUGH OTHER FIRMS PARTICIPATING IN THE PROGRAM, INCLUDING COM DEV OF CAMBRIDGE, FLEET ENGINEERING OF FORT ERIE, AND SED SYSTEMS OF SASKATOON.

WE CAN BE ESPECIALLY PROUD THAT THE CANADIAN CONTENT OF THE ANIK D SATELLITE IS CLOSE TO 50 PER CENT, A JUMP FROM THE 13 PER CENT ACHIEVED ON ANIK A-1.

IN THESE ENDEAVORS, INDUSTRY HAS HAD THE FULL SUPPORT OF THE GOVERNMENT'S RESEARCH AND DEVELOPMENT FACILITIES. IN 1978, WE EXPANDED THE NATIONAL FACILITY WHERE WE ARE GATHERED, TO PROVIDE FOR ASSEMBLY AND TESTING OF SATELLITES WELL INTO THE 1990S. THE \$18 MILLION PROJECT WAS COMPLETED ON SCHEDULE, THANKS TO THE EFFORTS OF THE LATE BILL CROSKERY AND HIS STAFF. TODAY, IN THE ANIK D-1, WE HAVE ONE OF THE MANY DIVIDENDS WE EXPECT TO REALIZE ON THAT INVESTMENT.

THE SPACE INDUSTRY IS A FAST-GROWING, HIGH TECHNOLOGY INDUSTRY. NOT ONLY DOES IT CREATE JOBS, IT PROVIDES OPPORTUNITIES FOR OUR ABLEST SCIENTISTS, ENGINEERS AND MOST SKILLED TECHNICIANS. IT ENABLES US TO EXPORT HIGH TECHNOLOGY PRODUCTS, NOT OUR BEST PEOPLE.

CANADA IS GAINING INCREASING RECOGNITION AS A LEADER IN SPACE TECHNOLOGY. THAT TECHNOLOGY HAS BEEN HIGHLY VISIBLE OF LATE IN THE FORM OF THE CANADARM ON THE U.S. SPACE SHUTTLE.

AS MANY OF US WERE DELIGHTED TO LEARN, THE GOVERNMENT OF BRAZIL HAS RECENTLY SELECTED SPAR FOR FINAL CONTRACT NEGOTIATIONS FOR THE SUPPLY OF ITS DOMESTIC SATELLITE COMMUNICATIONS SYSTEM. WE OFFER MR. CLARKE AND HIS TEAM EVERY GOOD WISH FOR THE SUCCESSFUL CONCLUSION OF THOSE NEGOTIATIONS AND OF THE SUBSEQUENT PROJECT.

SPAR HAS ALSO BEEN SELECTED AS A MAJOR SUBCONTRACTOR TO HUGHES AIRCRAFT COMPANY FOR THE CONSTRUCTION OF THE INTELSAT VI SERIES OF SPACECRAFT. THIS SATELLITE, FOR INTERNATIONAL SERVICE, IS THE MOST COMPLEX COMMUNICATIONS SATELLITE EVER DESIGNED. I AM VERY PLEASED THAT, THROUGH SPAR, CANADA WILL PROVIDE PART OF THAT ADVANCED SATELLITE.

THERE ARE MORE CHALLENGES ON THE HORIZON, SOME OF WHICH WERE ANNOUNCED BY I AND MY COLLEAGUE, THE HONOURABLE JOHN ROBERTS, MINISTER OF STATE FOR SCIENCE AND TECHNOLOGY, IN MONTREAL LAST DECEMBER. WE ANNOUNCED A \$132 MILLION INCREASE IN CANADA'S SPACE PROGRAM OVER THE NEXT FOUR YEARS. MUCH OF THIS WORK WILL BE DONE IN QUEBEC, NOTABLY AT SPAR'S PLANT IN STE. ANNE DE BELLEVUE.

THIS FUNDING WILL HELP COVER CANADA'S PARTICIPATION IN THE EUROPEAN SPACE AGENCY'S L-SAT PROGRAM, FOR WHICH SPAR WILL PROVIDE THE SOLAR ARRAYS AND CARRY OUT A PORTION OF THE ASSEMBLY AND TESTING HERE AT THE DAVID FLORIDA LAB.

AT THE SAME TIME, THE GOVERNMENT AUTHORIZED \$17 MILLION FOR THE SECOND OR DEFINITION PHASE OF THE MOBILE SATELLITE (OR M-SAT) PROGRAM, WHICH CONSISTS OF ENGINEERING AND ECONOMIC STUDIES. IF ALL GOES WELL, THEN WE COULD BEGIN THE DESIGN AND CONSTRUCTION PHASES, CULMINATING IN A LAUNCH BY THE END OF 1987.

THERE IS ENORMOUS POTENTIAL FOR M-SAT -- IN MORE EFFICIENT MOBILE COMMUNICATIONS SERVICES, NEW APPLICATIONS, JOBS AND INDUSTRIAL OPPORTUNITIES IN THE PUBLIC AND PRIVATE, CIVIL AND MILITARY, DOMESTIC AND FOREIGN MARKETS. THE WORLDWIDE MARKET IS ESTIMATED TO BE IN THE BILLIONS OF DOLLARS.

IT IS IMPOSSIBLE IN THESE BRIEF MINUTES TO DO JUSTICE TO THE ACHIEVEMENTS OF CANADA IN SPACE. IT IS EVIDENT TO US HERE TODAY, TO OUR CUSTOMERS ABROAD AND TO CANADIANS ACROSS THIS LAND, THAT THEY ARE CONSIDERABLE AND THAT THE EXPERTISE WE HAVE DEVELOPED PROMISES US BIGGER AND BETTER THINGS YET. IT IS, HOWEVER, POSSIBLE TO PRAISE THE PEOPLE WHO MADE THESE ACHIEVEMENTS A REALITY. TO ALL THOSE, AND TO SPAR AEROSPACE AND TELESAT CANADA IN PARTICULAR, I DO THAT NOW. CONGRATULATIONS ON A JOB WELL DONE.

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THE FEDERAL-PROVINCIAL CONFERENCE OF
COMMUNICATIONS MINISTERS

PRE-CONFERENCE STATEMENT BY
THE HONOURABLE FRANCIS FOX
MINISTER OF COMMUNICATIONS
CANADA

CALGARY, ALBERTA
MAY 20, 1982



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ALTHOUGH THE AGENDA FOR THIS FEDERAL PROVINCIAL CONFERENCE OF COMMUNICATIONS MINISTERS INCLUDES ONLY TWO SPECIFIC ITEMS, THERE IS A RANGE OF COMMUNICATIONS ISSUES WHICH ARE EQUALLY IMPORTANT. THE ISSUE OF PAY TELEVISION, ONE OF THE AGENDA ITEMS, IS ONE WHICH HAS BEEN DISCUSSED BY MINISTERS AT CONFERENCES AND AT BILATERAL MEETINGS FOR 6 YEARS.

AS FEDERAL AND PROVINCIAL MINISTERS OF COMMUNICATIONS, WE SEEM TO BE MOST PRODUCTIVE AND BEST SERVE THE PUBLIC INTEREST WHEN WE CONCENTRATE OUR ENERGIES AND ATTENTION ON THOSE ISSUES WHICH LEND THEMSELVES TO A COOPERATIVE APPROACH.

COOPERATION IN THE AREA OF TECHNOLOGICAL DEVELOPMENT IS ONE OF THE KEYS TO TECHNOLOGICAL SURVIVAL IN THE INTERNATIONAL INDUSTRIAL MARKETPLACE. THE SCIENCE COUNCIL IN ITS RECENTLY-PUBLISHED REPORT PLANNING FOR AN INFORMATION SOCIETY: TOMORROW IS TOO LATE, SOUNDS A CLEAR ALARM THAT THE FUTURE OF CANADA AS AN INDUSTRIAL COUNTRY DEPENDS ON CONCERTED, COOPERATIVE ACTION BY GOVERNMENTS AT ALL LEVELS, AS WELL AS INDUSTRY, LABOUR, EDUCATIONAL INSTITUTIONS AND OTHERS.

THE REPORT, PREPARED BY A COUNCIL COMMITTEE ON COMPUTERS AND COMMUNICATIONS, CONCLUDES (PG.56) THAT:

THE MICROELECTRONICS REVOLUTION, UPON WHICH THE INFORMATION SOCIETY IS PREDICATED, PRESENTS BOTH THREATS AND OPPORTUNITIES. HOW WE RESPOND WILL DETERMINE THE SHAPE OF OUR OWN LIVES AND CANADA'S FUTURE ROLE IN THE WORLD COMMUNITY.

MOST ADVANCED NATIONS OF THE WORLD ARE PREPARING TO PLACE THEMSELVES AT THE FOREFRONT OF THE INFORMATION SOCIETY. MANY OF THE CHANGES DESCRIBED WILL TAKE PLACE WHETHER WE LIKE IT OR NOT. THE QUESTION THAT REMAINS IS WHETHER CANADA WILL BE AN ACTIVE OR A PASSIVE PARTICIPANT. CANADA HAS BEEN FORTUNATE IN HAVING PARTICIPATED IN THE EARLY STAGES OF THIS WORLDWIDE TECHNOLOGICAL REVOLUTION. BUT WHAT HAS BEEN ACCOMPLISHED TO DATE HAS ONLY BEEN A BEGINNING.

ITS 27 RECOMMENDATIONS CALL URGENTLY FOR ACTION ACROSS A BROAD SPECTRUM. IN MANY OF THEM, FEDERAL-PROVINCIAL COOPERATION IS CONSIDERED A PREREQUISITE.

THE REPORT WAS PUBLISHED EARLIER THIS WEEK. I FEEL STRONGLY THAT WE AS FEDERAL AND PROVINCIAL MINISTERS HAVE AN OBLIGATION TO THE COUNTRY TO WORK TOGETHER TO ENSURE CANADA'S PLACE IN THE NEWLY-EMERGING TECHNOLOGICAL SOCIETY.

ALTHOUGH THERE IS A GREAT DEAL TO BE DONE IN FURTHERING CANADA'S TECHNOLOGICAL CAPABILITY, CANADA IS A TECHNOLOGICAL LEADER IN MANY ASPECTS OF TELECOMMUNICATIONS. THIS LEADERSHIP HAS BEEN SUPPORTED BY AND, IN MANY CASES, LED BY THE FEDERAL GOVERNMENT.

THIS WEEK, OUR LATEST SATELLITE, ANIK D-1, WAS OFFICIALLY HANDED OVER TO TELESAT CANADA ON ITS WAY TO AN AUGUST LAUNCH, AFTER BEING BUILT AND TESTED AT CANADA'S NATIONAL SATELLITE FACILITY, THE DEPARTMENT OF COMMUNICATIONS DAVID FLORIDA LABORATORY NEAR OTTAWA. THE ANIK D SATELLITES ARE THE CULMINATION OF A LONG HISTORY OF CANADIAN AND FEDERAL GOVERNMENT LEADERSHIP IN SPACE TECHNOLOGY AND APPLICATION WHICH TRACES ITS LINEAGE BACK TO ALOUETTE I, 20 YEARS AGO. NOW, CANADA HAS A PRIME CONTRACTING CAPABILITY IN SPACE; A BURGEONING INDUSTRY THAT IS CREATING HIGH TECH JOBS AND IS SHOWING ITSELF TO BE INTERNATIONALLY COMPETITIVE; AND ONE OF THE WORLDS'S FINEST SATELLITE MANUFACTURING AND TESTING FACILITIES.

IN SPACE, AS IN OTHER AREAS OF COMMUNICATIONS TECHNOLOGY SUCH AS FIBRE OPTICS AND TELIDON, THE FEDERAL GOVERNMENT HAS BEEN CENTRAL TO THE PROCESS OF TECHNICAL INNOVATION, THE TRANSFER OF TECHNOLOGY TO THE PRIVATE SECTOR AND, ULTIMATELY, THE CREATION OF HIGH TECHNOLOGY JOBS IN MANY PARTS OF CANADA.

NONE OF CANADA'S TECHNOLOGICAL ACHIEVEMENTS COULD HAVE BEEN CARRIED OUT WITHOUT A STRONG AND CONTINUING SPIRIT OF COOPERATION BETWEEN GOVERNMENT AND INDUSTRY AND BETWEEN DIFFERENT LEVELS OF GOVERNMENT. THE FOCUS OF ATTENTION DURING FEDERAL-PROVINCIAL CONFERENCES HAS OFTEN TENDED TO CONCENTRATE ON DISAGREEMENTS OR CONFLICTS. DESPITE THESE, THERE IS AN IMPORTANT AND CONTINUING COOPERATION AMONG THE FEDERAL AND PROVINCIAL GOVERNMENTS. I AM TABLING A DOCUMENT WHICH DESCRIBES IN DETAIL THE NATURE AND EXTENT OF OUR VARIOUS BILATERAL AND MULTILATERAL COOPERATIVE PROGRAMS.

THIS COOPERATIVE SPIRIT, AS THE SCIENCE COUNCIL REPORT IMPLIES, IS NOT SOME MOTHERHOOD WISH, BUT MUST BECOME A KEY INGREDIENT, AN OPERATING PRINCIPLE IN CANADA IF WE ARE TO CONTINUE TO DEVELOP INDUSTRIALLY. FORTUNATELY WE DO HAVE A BASIS OF COOPERATION THAT WE CAN AND MUST BUILD UPON.

IN SPACE APPLICATIONS, CANADA HAS PIONEERED EXCITING AND INNOVATIVE NEW SERVICES. THERE ARE SCORES OF ANIK B SATELLITE PROJECTS DEVELOPED IN COLLABORATION WITH THE PROVINCES. TYPICAL OF THESE IS THE KNOWLEDGE NETWORK OF THE WEST, WHICH BRINGS EDUCATIONAL PROGRAMMING TO SOME 40 SITES IN BRITISH COLUMBIA AND THE YUKON TERRITORIES - OR THE TELEHEALTH PROJECT EXTENDING MEDICAL FACILITIES FROM ST. JOHN'S NEWFOUNDLAND TO GOOSE BAY AND LABRADOR CITY. THE LA SETTE PROJECT BRINGS A SELECTION OF TELEVISION PROGRAMS FROM FRANCE TO CABLE VIEWERS ACROSS QUEBEC. THIS PROJECT WAS FUNDED BY THE QUEBEC DEPARTMENT OF COMMUNICATIONS AND MADE POSSIBLE THROUGH THE ACTION OF THE FEDERAL GOVERNMENT IN ARRANGING FOR THE AVAILABILITY OF AN ANIK B SATELLITE CHANNEL.

PROJECTS WHICH THE FEDERAL GOVERNMENT HAS UNDERTAKEN WITH VARIOUS PROVINCIAL GOVERNMENTS ARE CONTRIBUTING SIGNIFICANTLY TO THE GROWTH OF THEIR INFORMATION SECTORS. THERE IS OF COURSE THE WHOLE RANGE OF CO-SPONSORED PROJECTS GROWING OUT OF TELIDON RESEARCH. IN ALBERTA, BRITISH COLUMBIA, MANITOBA, ONTARIO, QUÉBEC AND NEW BRUNSWICK, THERE ARE A VARIETY OF TELIDON FIELD TRIALS INVOLVING THE FEDERAL GOVERNMENT AND THE PROVINCES.

THE CONCEPT OF COOPERATION AS AN OPERATING PRINCIPLE ALSO EXTENDS TO THE INTERNATIONAL ARENA. LAST WEEK, OFFICIALS OF THE DEPARTMENT OF COMMUNICATIONS HELD CONSULTATIONS WITH UNITED STATES OFFICIALS IN WASHINGTON ON A RANGE OF COMMUNICATIONS ISSUES. THESE TALKS WERE MOST USEFUL. IT WAS AGREED, FOR EXAMPLE, THAT A SENIOR WORKING GROUP WOULD BE FORMED TO DEAL EXPEDITIOUSLY WITH THE ISSUE OF TRANSBORDER SATELLITE COMMUNICATIONS AND THE HIGHLY TECHNICAL ISSUE OF THE POSITIONING OF FUTURE CANADIAN AND UNITED STATES SATELLITES IN ORBIT 36,000 KM ABOVE THE EQUATOR. WE ALSO AGREED TO CONTINUE TO COOPERATE CLOSELY WITH THE UNITED STATES IN PLANNING FOR THE USE OF DIRECT BROADCAST SATELLITES.

WHEN FEDERAL AND PROVINCIAL MINISTERS MET IN WINNIPEG LAST SEPTEMBER, WE DEALT WITH A VERY COMPREHENSIVE RANGE OF ISSUES, MANY OF THEM DEALING WITH ECONOMIC AND INDUSTRIAL DEVELOPMENT ASPECTS OF COMMUNICATIONS. WE EXCHANGED VIEWS ON SUCH ISSUES AS SATELLITE PLANNING, COOPERATION IN COMMUNICATIONS TECHNOLOGY, A NUMBER OF POLICY AND REGULATORY CONCERNS, AND PAY TV. IN MY VIEW, OUR LAST MEETING WAS A PRODUCTIVE ONE IN DEALING WITH MANY OF THE IMPORTANT COMMUNICATIONS ISSUES FACING CANADA.

TWO ITEMS ARE ON THE AGENDA FOR THIS CONFERENCE: JOINT REGULATORY MECHANISMS AND PAY TV.

ON THE FIRST SUBJECT, MINISTERS HAD AGREED AT THEIR CONFERENCE LAST FALL IN WINNIPEG THAT A TASK FORCE CO-CHAIRLED BY FEDERAL AND NOVA SCOTIA OFFICIALS SHOULD EXPLORE MECHANISMS FOR FEDERAL-PROVINCIAL COOPERATION IN TELECOMMUNICATIONS REGULATION. IN THE PAST FEW YEARS, AS MORE AND MORE NATIONAL TELECOMMUNICATIONS SERVICES ARE INTRODUCED AND PROVIDED JOINTLY BY THE VARIOUS TELEPHONE COMPANIES IN THE COUNTRY, THE TASK OF REGULATION HAS BECOME INCREASINGLY COMPLEX. MORE AND MORE FREQUENTLY, DECISIONS BY ONE REGULATOR - EITHER THE CRTC OR A PROVINCIAL BOARD - HAVE THE POTENTIAL TO AFFECT COMPANIES BEING REGULATED BY A DIFFERENT PROVINCE OR THE CRTC. THE PROBLEM IS COMPLEX BUT I BELIEVE THE TASK FORCE HAS PROVIDED A USEFUL REPORT. I HOPE AND EXPECT THAT IT WILL FORM THE BASIS FOR CLOSER COOPERATION BETWEEN PROVINCIAL REGULATORY BOARDS AND THE CRTC ON MATTERS OF COMMON CONCERN.

LAST WEEK, THE GOVERNOR IN COUNCIL, AFTER CONSIDERING SEVERAL SUBMISSIONS, UPHELD A CRTC DECISION OF MARCH 18, 1982, WHICH AWARDED SIX LICENCES FOR THE DISTRIBUTION OF PAY TELEVISION IN CANADA. THIS ACTION CLEARS THE WAY FOR THE INAUGURATION OF THIS NEW SERVICE. WITHIN A YEAR, PAY TV WILL BE AVAILABLE IN CANADIAN HOMES ACROSS THE COUNTRY.

PAY TELEVISION HAS NOW BEEN THE SUBJECT OF FEDERAL-PROVINCIAL DISCUSSIONS AT FOUR FEDERAL PROVINCIAL CONFERENCES SINCE JUNE 1976, WHEN THE THEN FEDERAL MINISTER OF COMMUNICATIONS WROTE TO ALL OF HER PROVINCIAL COLLEAGUES ASKING FOR THEIR VIEWS AND SUGGESTIONS ON THE INTRODUCTION OF PAY TELEVISION. IN 1979, THE FEDERAL AND PROVINCIAL MINISTERS AGREED TO A SET OF OBJECTIVES AND GUIDELINES FOR PAY TV, AND THESE WERE TRANSMITTED TO THE CRTC BY THE FEDERAL MINISTER, TO ASSIST IT IN DEVELOPING PAY TV.

THE CRTC SUBSEQUENTLY ESTABLISHED THE THERRIEN COMMITTEE TO STUDY THE INTRODUCTION OF PAY TELEVISION AND THE EXTENSION OF SERVICES. THREE OF ITS NINE MEMBERS WERE NOMINATED BY THE PROVINCIAL GOVERNMENTS.

THE PHILOSOPHY OF THE THERRIEN COMMITTEE WAS CLEARLY REFLECTED IN THE CRTC'S DECISION OF MARCH 18, 1982, WHEN IT AWARDED SIX LICENCES FOR THE DISTRIBUTION OF PAY TELEVISION: A NATIONAL GENERAL-INTEREST SERVICE; A NATIONAL PERFORMING-ARTS SERVICE; THREE REGIONAL GENERAL-INTEREST SERVICES; AND A REGIONAL MULTILINGUAL SERVICE. THROUGH ITS DECISION, THE CRTC HAS CREATED A COMPETITIVE SYSTEM THAT, IN THE VIEW OF THE COMMISSION, HAS THE POTENTIAL TO DELIVER HIGH-QUALITY PROGRAMMING, TO CREATE OPPORTUNITIES FOR CANADIAN PRODUCERS TO DEVELOP NEW PRODUCTS FOR THE DOMESTIC AND INTERNATIONAL MARKETS, AND WHICH ACKNOWLEDGES THE LINGUISTIC AND CULTURAL REALITIES OF THE NATION AND ITS REGIONS.

THE DECISION MEETS A PRINCIPAL CONCERN OF THE FEDERAL GOVERNMENT BY GIVING CANADA A NATIONAL SYSTEM PROVIDING SERVICE IN TWO LANGUAGES. SEVERAL ASPECTS OF THE CRTC DECISION DESERVE TO BE HIGHLIGHTED HERE, FOR THEY HAVE AN IMPORTANT BEARING ON THE QUESTION OF REGIONAL AND PROVINCIAL CONCERNS.

FIRST, THE DECISION PERMITS THE DEVELOPMENT OF REGIONAL PAY TV NETWORKS, THE BETTER TO REFLECT PROVINCIAL AND REGIONAL INTERESTS. THIS HAS BEEN A PRIME PROVINCIAL CONCERN, A CONCERN WHICH THE CRTC OBVIOUSLY TOOK SERIOUSLY AND CLEARLY MET IN ITS DECISION.

SECOND, THE DECISION ALLOWS FOR COMPETITIVE NETWORKS, RATHER THAN ONE NATIONAL MONOPOLY. DESPITE THE WIDE PUBLIC DISCUSSION OVER THE PROS AND CONS OF A COMPETITIVE SYSTEM, AND THE POTENTIAL RISKS, THIS ASPECT OF THE DECISION REFLECTS A CONCERN, EXPRESSED BY SOME PROVINCES, ABOUT THE POSSIBLE ESTABLISHMENT OF A PAY TV MONOPOLY IN CANADA.

THIRD, THE DECISION ALLOWS THE MARKETPLACE TO SET RATES, RATHER THAN SUBJECTING RATES TO STRICT REGULATION. AGAIN, SOME PROVINCES, PARTICULARLY ONTARIO, HAVE INDICATED THAT THIS WOULD BE A DESIRABLE FEATURE OF A CANADIAN PAY TV SYSTEM.

FOURTH, THE CRTC IS CALLING FOR APPLICATIONS TO PROVIDE A FRENCH LANGUAGE SERVICE, WHICH WOULD COVER QUEBEC, ONTARIO AND ATLANTIC CANADA.

FIFTH, THE DECISION HAS THE POTENTIAL OF PROVIDING A RANGE OF BENEFITS TO THE CANADIAN PROGRAM PRODUCTION INDUSTRY FROM ALL PARTS OF THE COUNTRY.

WHILE THE DECISIONS CONCERNING PAY TV WERE TAKING PLACE, FEDERAL-PROVINCIAL DISCUSSIONS WITH RESPECT TO PAY TV HAVE CONTINUED. A COMMITTEE OF DEPUTY MINISTERS HAS CONFIRMED THE CONSENSUS SET OF OBJECTIVES DEVELOPED FOLLOWING THE 1979 CONFERENCE OF MINISTERS. THESE MEETINGS OF DEPUTIES HAVE BEEN USEFUL IN THAT THEY HAVE ENABLED THE FEDERAL GOVERNMENT TO GAIN A BETTER UNDERSTANDING OF THE CONCERNS OF ALL GOVERNMENTS. I HOPE THAT THE PROVINCES FOUND THEM AS USEFUL.

IT IS THE FEDERAL GOVERNMENT'S POSITION THAT IT HAS JURISDICTION OVER ANY SERVICE CARRIED BY A BROADCASTING RECEIVING UNDERTAKING, INCLUDING ALL FORMS OF PAY TELEVISION.

I RECOGNIZE THAT THE PROVINCES DO NOT SHARE THE FEDERAL VIEW OF JURISDICTION. DURING THE COURSE OF THIS FEDERAL-PROVINCIAL CONFERENCE, I WOULD HOPE THAT OUR DISCUSSIONS WOULD AVOID DWELLING ON DIFFERENCES IN INTERPRETATION OVER JURISDICTIONAL CLAIMS.

PAY TV WILL BE AN INTEGRAL AND CRITICAL COMPONENT OF BROADCASTING IN CANADA. THE CHALLENGE TO THE PAY TV INDUSTRY WILL BE TO PROVIDE CREATIVE OPPORTUNITIES FOR CANADIAN SCRIPT WRITERS, COMPOSERS, MUSICIANS, TECHNICIANS, ACTORS, PRODUCERS AND DIRECTORS FROM ALL REGIONS OF CANADA. AT THE SAME TIME, IT SHOULD MEET THE DEMANDS OF CANADIANS FOR INCREASED PROGRAMMING CHOICE, INCLUDING A SIGNIFICANT AMOUNT OF ATTRACTIVE CANADIAN CONTENT. IT SHOULD REFLECT CANADIAN CULTURAL VALUES AND LINGUISTIC BALANCE. EVENTUALLY, THE SYSTEM SHOULD PROVIDE A SPRINGBOARD FOR PENETRATING INTERNATIONAL MARKETS. THE CHALLENGES ARE VERY REAL, AND WE BELIEVE THE COOPERATION OF THE FEDERAL AND PROVINCIAL GOVERNMENTS IS NECESSARY IN HELPING TO STIMULATE CANADIAN PROGRAM PRODUCTION.

IN MY VIEW, WE MUST ALL KEEP ONE FACTOR PARAMOUNT: IT IS ESSENTIAL THAT PAY TV BE IMPLEMENTED ACROSS THE COUNTRY AS RAPIDLY AS POSSIBLE. DURING THIS CONFERENCE WE SHOULD ATTEMPT TO COMBINE OUR ENERGIES TO HELP ENSURE THE EVENTUAL SUCCESS OF PAY TELEVISION IN CANADA AND THE HEALTH OF THE PROGRAM PRODUCTION INDUSTRY.

I HOPE THAT THE PROVINCES WILL MAKE CONSTRUCTIVE SUGGESTIONS AS TO HOW THESE POSITIVE OBJECTIVES CAN BE ACHIEVED AND OUR INTERESTS HARMONIZED. AS MINISTERS, WE SHOULD ENSURE THAT, WHATEVER OUR VIEWS ON JURISDICTION, WE ACT IN A WAY WHICH SERVES THE PUBLIC INTEREST. PAY TV WILL BE IN CANADIAN HOMES BY THIS TIME NEXT YEAR. I FEEL STRONGLY THAT OUR PRINCIPAL TASK IS TO FOSTER AN ENVIRONMENT OF COOPERATION THAT WILL BENEFIT ALL CANADIANS AS PAY TELEVISION IS INAUGURATED AND AS IT EVOLVES OVER THE YEARS.

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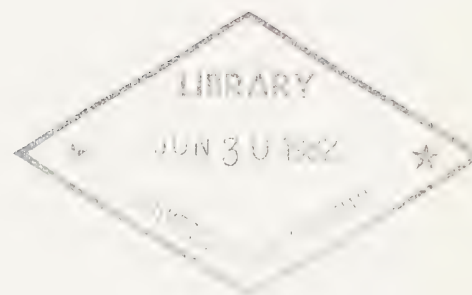
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NOTES FOR REMARKS

BY THE HONOURABLE FRANCIS FOX

MINISTER OF COMMUNICATIONS

TO THE CANADIAN COMMUNICATIONS ASSOCIATION



OTTAWA, ONTARIO

JUNE 5, 1982



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WHEN MICHAEL FARADAY WAS AN OLD AND HONORED MAN, HE WAS VISITED BY THE THEN
PRIME MINISTER OF ENGLAND, BENJAMIN DISRAELI, WHO CAME TO SEE THE PHENOMENA
PEOPLE SAID WERE BEING PRODUCED IN FARADAY'S LABORATORY. AFTER THE SCIENTIST
HAD DEMONSTRATED THE PRODUCTION OF ELECTRICITY, THE GREAT POLITICIAN SAID, "IT'S
VERY IMPRESSIVE, MR. FARADAY. BUT WHAT GOOD IS IT?"

TODAY THE PHENOMENA OF THE MICROCHIP CHALLENGE OUR PERSPICACITY AND IMAGINATION
AS MUCH AS FARADAY'S ELECTRICAL WONDERS CHALLENGED DISRAELI. YET PERSPICACITY
AND IMAGINATION ARE URGENTLY NEEDED. THE MICROCHIP AND THE OTHER ELEMENTS OF
THE NEW INFORMATION TECHNOLOGY -- FIBRE OPTICS, VIDEOTEX, MASS COMPUTERIZATION
-- WILL TRANSFORM OUR LIVES NO LESS THAN ELECTRICITY AND TELEPHONES TRANSFORMED
THE NINETEENTH CENTURY AND RADIO AND TELEVISION TRANSFORMED THE EARLIER DECADES
OF THE TWENTIETH.

THE SITUATION IS IN MANY RESPECTS ALSO SIMILAR TO THAT OF THE EARLY DAYS OF THE INDUSTRIAL REVOLUTION OF THE EIGHTEENTH AND NINETEENTH CENTURIES. BY VASTLY MULTIPLYING MANKIND'S PHYSICAL CAPABILITIES, IT PERMITTED THE WESTERN COUNTRIES TO QUICKLY ACHIEVE UNPRECEDENTED STANDARDS OF LIVING AND POSITIONS OF WORLD LEADERSHIP.

BUT THE TRANSFORMATION RATE IS TEN TIMES FASTER TODAY THAN EVER BEFORE. FOR EXAMPLE, THE POWER OF COMPUTERS HAS INCREASED 10,000 TIMES IN THE LAST 15 YEARS AND THEIR PRICE HAS DECREASED BY A FACTOR OF 100,000.

THANKS TO THE REVOLUTIONARY DEVELOPMENTS IN THE TECHNOLOGIES OF MICRO-ELECTRONICS, TELECOMMUNICATIONS AND COMPUTERS, THE WORLD IS NOW ENTERING AN ERA OF FUNDAMENTAL AND RAPIDLY ACCELERATED CHANGE. THIS CHANGE, TO WHICH THE TERM "INFORMATION REVOLUTION" IS INCREASINGLY APPLIED, PROMISES TO TRANSFORM JUST ABOUT EVERY ASPECT OF OUR LIVES. EDUCATION, INDUSTRY, ENTERTAINMENT, CULTURE AND TRANSPORTATION, ALL ARE DIRECTLY AFFECTED.

WHAT EXACTLY ARE THESE FORCES WHICH WILL INEVITABLY ALTER OUR DAILY LIFESTYLES?

WHAT WILL THEY DO TO THE WAY WE THINK AND THE WAY WE ARE? WHAT ARE THE

STRATEGIC ISSUES THAT MUST BE DEALT WITH IN OUR NEW ENVIRONMENT? WHAT ARE OUR

OWN PRIORITIES IN DEALING WITH THIS NEW ENVIRONMENT? WHAT ARE ITS INHERENT

PRIORITIES IN -- SO TO SPEAK -- DEALING WITH US?

CERTAINLY ITS EFFECTS GO FAR BEYOND SIMPLE INDUSTRIAL MODIFICATION. THEY TOUCH

UPON THE AREAS OF SOCIAL AND CULTURAL DEVELOPMENT. WE HAVE A DOUBLE

RESPONSIBILITY: TO FOSTER THE DEVELOPMENT OF THE NEW TECHNOLOGIES AND YET TO

CONTROL THEM SO THAT THEY CAN BEST SERVE BOTH SOCIAL AND ECONOMIC GROWTH.

ONE CAN, FOR PRACTICAL PURPOSES, AND FOR ANALYTICAL PURPOSES, AS WELL, DIVIDE THIS REVOLUTIONARY TECHNOLOGICAL FORCE INTO ITS TWO ULTIMATE COMPONENTS -- HARDWARE AND SOFTWARE. "SOFTWARE" CAN, IN ITS TURN, BE BROKEN DOWN INTO TWO CONSTITUENT ELEMENTS:

- COMPUTER SYSTEMS OR "PROGRAMS" THAT BECOME PART OF THE VEHICLE FOR DELIVERY OF INFORMATION TO THE END USER;
- AND CONTENT, OR DATA, THAT IS, THE ACTUAL INFORMATION TO BE CONVEYED TO THIS END USER.

IN THESE, OUR PRIMARY ENCOUNTERS, THE HARDWARE HAS DAZZLED US. ITS ABILITY TO CALL UP, DISPLAY, MODIFY AND DEAL WITH IMMENSE, ALMOST INCONCEIVABLE NUMBERS OF FACTS, FILMS, MESSAGES AND INFORMATION -- FROM ART TO ARTHRITIS CURES, FROM GRAPHICS TO GEOGRAPHICS -- HAS TO A CERTAIN EXTENT, OBSCURED THE CONTENT OF WHAT IS BEING CONVEYED AND MANIPULATED.

"DE OMNI RE SCIBILI, ET QUIBUSDAM ALIIS"; THIS MEDIUM IS CAPABLE OF "KNOWING EVERYTHING THERE IS AND THEN SOME", AS THE SCHOLARS USED TO SAY. IT CAN BE OVERWHELMING INDEED.

CANADA IS A WORLD LEADER IN USING COMMUNICATIONS HARDWARE AND CONSEQUENT TECHNOLOGY. CANADA WAS AMONG THE FIRST WITH GEOSTATIONARY COMMUNICATIONS SATELLITES AND IS AT THE FOREFRONT IN FIBRE OPTICS. AND TELIDON, DEVELOPED BY THE DEPARTMENT OF COMMUNICATIONS, IS THE BEST VIDEOTEX SYSTEM IN THE WORLD.

TELIDON IS CONSIDERED THE BEST BECAUSE OF ITS SUPERIOR INFORMATION-ENCODING SCHEME AND DISPLAY TECHNOLOGY, WHICH ALLOWS INFORMATION TO BE DISPLAYED IN A HIGHLY DETAILED WAY. IT ALSO HAS MANY ADDITIONAL CAPABILITIES, SUCH AS COLORS, ALTERNATE CHARACTER SETS (NOT ONLY ENGLISH AND FRENCH, BUT POTENTIALLY INUIT AND NATIVE AS WELL AS CHINESE AND ARABIC SCRIPTS), ALTERNATE SIZES, DISPLAY CONTROLS, PHOTOGRAPHIC REPRODUCTION AND MANY MORE.

TELIDON HAS MADE IMPORTANT INROADS IN THE INTERNATIONAL MARKETPLACE. IT NOW FORMS THE HEART OF THE NORTH AMERICAN VIDEOTEX STANDARD AND HAS BEEN ADOPTED BY SUCH ORGANIZATIONS AS AMERICAN TELEPHONE AND TELEGRAPH, THE COLUMBIA BROADCASTING SYSTEM AND TIME INC. OF NEW YORK. GOVERNMENTS AND AGENCIES FROM THE UNITED STATES TO VENEZUELA ARE PARTICIPATING IN TELIDON PROJECTS.

THE DEPARTMENT OF COMMUNICATIONS IS WORKING WITH BUSINESS, INSTITUTIONS AND EDUCATORS ACROSS CANADA TO DEVELOP NEW APPLICATIONS OF TELIDON AND TO ASSEMBLE A RICH AND DIVERSE ARRAY OF DATA BASE CONTENT THAT WILL MEET THE NEEDS OF ALL SEGMENTS OF THE INFORMATION SOCIETY.

THROUGH THIS CO-OPERATIVE APPROACH, WE HAVE ALREADY CREATED A NUMBER OF EXTREMELY USEFUL AND IMAGINATIVE APPLICATIONS OF TELIDON. THESE WILL SERVE STOCK BROKERS IN THEIR OFFICES, FARMERS IN THEIR FIELDS, STUDENTS IN THEIR CLASSROOMS, AS WELL AS FISHERMEN, TOURISTS, CONSUMERS, INUIT AND NATIVE GROUPS, WOMEN, PUBLIC SERVANTS, LIBRARIANS, LAWYERS, ARTISTS, ENGINEERS. THE LIST GOES ON AND ON. THESE PROJECTS WILL ALLOW US TO PROVIDE TELIDON SERVICES TO EVERY CORNER OF CANADA. AND PERHAPS MORE IMPORTANTLY, THEY PROVIDE THE INFRASTRUCTURE FOR A NEW INFORMATION INDUSTRY IN THIS COUNTRY THAT CAN EXPORT ITS SERVICES TO THE WORLD MARKET. THIS FLEDGLING EXPORT INDUSTRY IS ALREADY MAKING ITS MARK AROUND THE GLOBE:

FOR EXAMPLE, IN MANITOBA, WE HELPED INFOMART OF TORONTO AND THE MANITOBA TELEPHONE SYSTEM CREATE GRASSROOTS, THE FIRST COMMERCIAL TELIDON SERVICE, WHICH PROVIDES UP-TO-THE-MINUTE GRAIN AND LIVESTOCK PRICES, WEATHER, AND OTHER FARM-RELATED INFORMATION AS WELL AS COMMUNITY NOTES, RESTAURANT REVIEWS, GAMES AND EVEN THE SCHEDULE OF THE ROYAL WINNIPEG BALLET. THE QUALITY OF THE INFORMATION CONTENT IN THIS DATA BASE IS SO HIGH THAT FRITTSO LIMITED, A PUBLISHING COMPANY FROM BAKERSFIELD, CALIFORNIA, HAS CONTRACTED WITH INFOMART TO EXPAND ON THE CONTENT AND CREATE A SIMILAR SYSTEM TO SERVE THE FARMERS IN THE SAN JOAQUIN VALLEY IN CALIFORNIA, PERHAPS THE RICHEST FARMING AREA IN THE WORLD.

SIMILARLY, IN TORONTO WE HAVE ASSISTED FAXTEL INFORMATION SYSTEMS IN THE CREATION OF A SERVICE CALLED MARKETFAX. THIS SERVICE PROVIDES NOT JUST STOCK MARKET PRICES, BUT COMPUTERIZED ANALYSIS OF HOW STOCKS HAVE PERFORMED OVER A PERIOD OF TIME AGAINST A SERIES OF VARIABLES. THE SERVICE COVERS THE TORONTO, MONTREAL, VANCOUVER, NEW YORK AND AMERICAN EXCHANGES. IT IS A HIGHLY EXPORTABLE COMMODITY WHICH HAS SPARKED A GREAT DEAL OF INTEREST, NOT JUST AMONG NORTH AMERICAN BUSINESSMEN, BUT IN THE LEADING FINANCIAL CENTRES OF EUROPE AND THE FAR EAST.

WE HAVE ALSO ASSISTED THE HEMTON GROUP, THE GRAPHICS DIVISION OF NORPAK LIMITED OF KANATA, IN THE ESTABLISHMENT OF AN ELECTRONIC IMAGE BANK THAT WILL SERVE THE VIDEOTEX INDUSTRY AROUND THE WORLD. THIS IS AN EXCITING PROJECT IN WHICH ARTISTS FROM HEMTON ARE USING TELIDON EQUIPMENT TO DRAW AND ASSEMBLE A LIBRARY OF TELIDON GRAPHICS THAT CAN BE USED BY ADVERTISERS, BROADCASTERS AND SO ON. HEMTON'S CLIENTS WILL BE ABLE TO USE TELIDON TERMINALS TO ACCESS THESE IMAGES BY TELEPHONE LINES, OR HAVE A SELECTION OF GRAPHICS DELIVERED ON A FLOPPY DISKETTE. BECAUSE OF TELIDON'S FLEXIBLE CODING LANGUAGE, USERS WILL BE ABLE TO MIX AND MATCH THESE IMAGES, CHANGING THEIR SHAPE, COLOR AND SIZE TO SUIT THEIR PARTICULAR NEEDS FOR VIDEOTEX PAGES OR STUDIO GRAPHICS. BECAUSE THESE IMAGES CAN BE USED AGAIN AND AGAIN IN MANY SHAPES AND FORMS, THE OVERALL COST OF TELIDON PAGE CREATION WILL BE REDUCED. THE SERVICE HAS ALREADY FOUND COMMERCIAL CUSTOMERS IN THE U.S. AND ENGLAND.

AS A BILINGUAL COUNTRY, CANADA HAS SPECIAL STRENGTHS THAT CAN HELP US DEVELOP INFORMATION TECHNOLOGY CONTENT FOR EXPORT. IN JANUARY OF THIS YEAR, I HAD THE PLEASURE OF TRAVELLING TO PARIS TO INAUGURATE A COMPUTERIZED DICTIONARY OF ENGLISH AND FRENCH SCIENTIFIC AND TECHNICAL TERMINOLOGY DEVELOPED BY THE DEPARTMENT OF THE SECRETARY OF STATE. WORK IS NOW IN PROGRESS TO MAKE THIS SERVICE AVAILABLE THROUGH TELIDON TERMINALS, NOT JUST IN CANADA, BUT AROUND THE WORLD. AND AN AUTOMATIC TRANSLATING PROGRAM HAS BEEN DEVELOPED THAT WILL PERFORM MUCH OF THE ROUTINE WORK OF TRANSLATORS DEALING WITH LENGTHY TECHNICAL REPORTS.

WE HAVE ALSO SUPPORTED PROJECTS SUCH AS PHONOLOGUE, THE CANADIAN RECORD CATALOGUE, WHICH WILL SERVE NOT JUST THE CANADIAN RECORDING INDUSTRY, BUT ALSO THE INTERNATIONAL MUSIC COMMUNITY.

IN COMPILING A CONTINUALLY UPDATED CATALOGUE OF RECORD RELEASES, THE CANADIAN INDEPENDENT RECORD PRODUCERS ASSOCIATION USED THE GRANT IT HAD RECEIVED FROM THE FEDERAL GOVERNMENT TO PUT THIS CATALOGUE ON TELIDON.

THROUGH THIS SYSTEM, USERS CAN NOW CALL UP A FUND OF INFORMATION ON ANY CANADIAN RECORDING. THEY CAN FIND ANY RECORD IF THEY CAN REMEMBER THE ARTIST'S NAME, PART OF THE ALBUM TITLE, OR A WORD FROM THE SONG TITLE. TELIDON'S GRAPHIC CAPABILITIES ALLOW THE USER TO VIEW THE ALBUM-COVER ARTWORK. AND, IN THE FUTURE, IT WILL EXTEND STILL FURTHER TO DIGITAL DELIVERY OF THE RECORDINGS THEMSELVES, DIRECTLY TO HOME STEREO SYSTEMS. IN OTHER WORDS, A HOME-BASED, ELECTRONIC JUKE-BOX.

HAVING SET THIS STANDARD OF ACHIEVEMENT FOR ITSELF, THE DEPARTMENT OF COMMUNICATIONS, WORKING IN CLOSE COLLABORATION WITH THE PRIVATE SECTOR, AS WAS THE CASE WITH TELIDON, IS DEVELOPING A PROGRAM FOR THE OFFICE OF THE FUTURE -- THE OFFICE AS IT IS SURE TO EXIST FIVE OR EVEN 10 YEARS FROM NOW.

THE OFFICE OF THE FUTURE WILL BE LARGELY AUTOMATED, WITH ELECTRONIC APPARATUS AND TERMINALS REPLACING THE PRESENT ELECTRIC AND MECHANICAL EQUIPMENT. "WORK STATIONS" WILL UNITE THE FUNCTIONS OF A MULTIPLICITY OF MACHINES AND WILL PERMIT PHONE CALLS, CONTROL COPIERS, PRINT FORMS AND LETTERS, WRITE AND EDIT REPORTS AND LEAVE DIGITALLY ENCODED VOICE MESSAGES.

WHILE MOST OFFICE HARDWARE IN CANADA IS EITHER IMPORTED OR MANUFACTURED BY BRANCH PLANTS, THE COMPUTER SERVICES INDUSTRY IS ABOUT 80 PER CENT CANADIAN-OWNED AND ITS PRODUCTS ARE ALREADY BEGINNING TO FIND AN INTERNATIONAL MARKET.

IT IS THE FURTHER DEVELOPMENT OF THIS INDUSTRY WHICH THE DEPARTMENT OF COMMUNICATIONS IS NOW WORKING TO PROMOTE.

WHEN I ANNOUNCED THE CREATION OF THE OFFICE OF THE FUTURE PROGRAM IN 1980, I MADE IT CLEAR THAT CANADA MUST FOLLOW ONE OF TWO PATHS: WE COULD CONTINUE TO IMPORT BILLIONS OF DOLLARS WORTH OF OFFICE PRODUCTS AND SERVICES EACH YEAR WHILE THOUSANDS OF CANADIANS WERE DISPLACED IN THEIR OFFICES AND FACTORIES. OR WE COULD TAKE STEPS TO ENSURE THAT CANADIAN INDUSTRY CAN SUPPLY MORE OF THE CANADIAN AND WORLD MARKETS, AND TO FIND WAYS TO IMPLEMENT NEW SYSTEMS IN ALL CANADIAN OFFICES AS QUICKLY AS POSSIBLE, WITH AS GENTLE A TRANSITION AS POSSIBLE.

IT IS ESTIMATED THAT BY 1990, THE CANADIAN MARKET FOR INTEGRATED OFFICE AUTOMATION SYSTEMS (INCLUDING ELECTRONIC VOICE AND DATA SWITCHING EQUIPMENT, MULTIFUNCTIONAL WORK STATIONS; WORD, DATA, VOICE AND GRAPHICS-PROCESSING EQUIPMENT; COMMUNICATIONS AND COPIER EQUIPMENT) WILL REACH BETWEEN \$15 AND \$20 BILLION. THE INTERNATIONAL MARKET WILL BE 20 TO 25 TIMES THIS SIZE. IF CANADIAN INDUSTRY CAPTURED 40 PER CENT OF THE DOMESTIC MARKET AND FIVE PER CENT OF THE INTERNATIONAL MARKET, THIS WOULD REPRESENT REVENUE OF \$21 BILLION AND 140,000 JOBS.

WITH THE RAPID PACE OF CHANGE IN OFFICE TECHNOLOGY, IT IS EQUALLY IMPORTANT THAT THIS PROGRAM ADDRESS A NUMBER OF CONTENTIOUS SOCIAL AND ECONOMIC ISSUES.

WE MUST FIND OUT MORE ABOUT THE IMPACT OF NEW OFFICE SYSTEMS ON WORKING CONDITIONS, EMPLOYMENT PATTERNS, PRODUCTIVITY, WORKER HEALTH, AND INDIVIDUAL PRIVACY. IN PARTICULAR, WE MUST EXAMINE THE IMPLICATIONS OF NEW OFFICE SYSTEMS AS THEY AFFECT EMPLOYMENT OPPORTUNITIES FOR WOMEN, AS WOMEN REMAIN CONCENTRATED IN OCCUPATIONS THAT WILL BE GREATLY AFFECTED BY THE ELECTRONIC OFFICE. THE PROGRAM WILL EXAMINE ALTERNATIVE METHODS OF IMPLEMENTING THE TECHNOLOGY AND METHODS OF TRAINING AND RETRAINING OFFICE WORKERS TO ENSURE THAT THE POTENTIAL BENEFITS OF THE ELECTRONIC OFFICE ARE ACHIEVED AND ARE EQUITABLY DISTRIBUTED.

IN ANOTHER EXAMPLE OF CANADIAN TECHNOLOGICAL ACCOMPLISHMENT IN AN ENTIRELY
DIFFERENT SPHERE, JUST ABOUT TWO WEEKS AGO OUR LATEST SATELLITE ANIK D-1 WAS
OFFICIALLY HANDED OVER TO TELESAT CANADA FOR AN AUGUST LAUNCH. SINCE OUR FIRST
SATELLITE ALOUETTE I TWENTY YEARS AGO, CANADIAN AND FEDERAL GOVERNMENT
LEADERSHIP IN SPACE TECHNOLOGY HAS ACHIEVED WORLDWIDE RECOGNITION. CANADA NOW
HAS A PRIME CONTRACTING CAPABILITY IN SPACE -- A BURGEONING INDUSTRY
INTERNATIONALLY COMPETITIVE AND CAPABLE OF CREATING HIGH TECH JOBS -- AS WELL AS
HAVING ONE OF THE WORLD'S FINEST SATELLITE MANUFACTURING AND TESTING
FACILITIES.

EVEN AS SATELLITE COMMUNICATIONS APPROACH MATURITY, ANOTHER COMPLEMENTARY, AND IN SOME RESPECTS RIVAL, TECHNOLOGY IS MOVING RAPIDLY FROM THE EXPERIMENTAL PHASE TO THE ERA OF LARGE SCALE OPERATIONAL USE. THIS IS THE TECHNOLOGY OF FIBRE OPTICS. ITS SIGNIFICANCE LIES IN A NUMBER OF ATTRACTIVE FEATURES, THE MOST IMPORTANT OF WHICH IS THE ENORMOUS CAPACITY PER UNIT COST. ALREADY, FOR EXAMPLE, AS DEMAND AND PRODUCTION RISE, THE COST IS APPROACHING THAT OF COPPER EVEN FOR THE CONVENTIONAL TWISTED PAIRS USED FOR TELEPHONE LOCAL LOOPS. HOWEVER, INSTEAD OF BEING LIMITED TO ONE VOICE CHANNEL, SINGLE FIBRES ARE ABLE TO CARRY SEVERAL VIDEO CHANNELS OR THEIR EQUIVALENT IN DATA. MOREOVER, THE BASIC MATERIAL FOR THE FIBRE IS ORDINARY SAND, AN ESSENTIALLY UNLIMITED RESOURCE -- RATHER THAN INCREASINGLY SCARCE AND EXPENSIVE COPPER.

AS A CONSEQUENCE OF THE DESIRABLE FEATURES OF FIBRE OPTICS, PLANS FOR NEW COMMERCIAL APPLICATIONS ARE NOW BEING ANNOUNCED ALMOST DAILY. IN FACT THE INDUSTRY IS PROJECTED TO GROW AT A RATE SOMEWHERE BETWEEN 30 AND 50% PER YEAR FOR THIS DECADE REACHING MANY BILLIONS OF DOLLARS PER YEAR BY 1990.

IT CAN CERTAINLY BE SAID, THEN, THAT OUR ACHIEVEMENTS IN HARDWARE ARE ADMIRABLE AND THEY ARE STILL IMPROVING. BUT THE FACT IS THAT AFTER THE FIRST DELIGHTED SHOCK OF NOVELTY (AND WE ALL DO DELIGHT IN SUCH NEW TOYS) -- IT'S NOT THE HARDWARE THAT IS MOST IMPORTANT, BUT THE SOFTWARE. WE CAN BRING IN 100 CHANNELS, DEAL WITH OUR BANKS, VISIT LIBRARIES, STUDY AT SCHOOLS AND WORK IN OFFICES BY BRINGING THEM ALL INTO OUR HOMES. THAT IS, OF COURSE, ENORMOUSLY SIGNIFICANT. BUT WHAT IS EVEN MORE IMPORTANT IS WHAT WE WILL BE SEEING ON THOSE 100 CHANNELS, RECEIVING FROM THOSE LIBRARIES AND SCHOOLS AND THE NATURE OF OUR DEALINGS WITH THOSE BANKS AND OFFICES.

IT IS IN THIS FUTURISTIC CONTEXT THAT THE INTEGRATION OF ARTS AND CULTURE INTO THE DEPARTMENT OF COMMUNICATIONS SHOWS ITS FULL WORTH AND ITS FORWARD-LOOKING ORIENTATION.

FOR EACH NEW DELIVERY SYSTEM, WE MUST FIND APPROPRIATE MEANS FOR DEMONSTRATING OUR CANADIAN UNIQUENESS; AND FOR SOME OF THE MEANS OF DEMONSTRATION WE MAY HAVE TO INVENT APPROPRIATE DELIVERY SYSTEMS. THE HARDWARE-ITES MUST UNDERSTAND THE APPLICATIONS AND THE SOFTWARE-ITES MUST UNDERSTAND THE CAPABILITIES OF THE HARDWARE.

WE HAVE ALREADY HAD A FORETASTE OF THE VAST POSSIBILITIES OF SOFTWARE-CONTENT THROUGH TELEVISION. WE HAVE ALREADY EXPERIENCED THE EFFECTS OF BEING UNIVERSALLY PRESENT (IN OUR LIVING ROOMS AND BEDROOMS) ON THE BLOODY BATTLEFIELDS OF THE WORLD'S WARS.

SUCH EXPOSURE MAKES US WHAT WE ARE. THAT FACT CANNOT BE BRUSHED ASIDE. BUT WHAT WILL BE THE EFFECT OF EVEN GREATER TECHNOLOGICAL SATURATION IN THE FUTURE? WHAT WILL BE THE EFFECT ON OUR LIVES AND CHARACTERS OF THE AUTOMATED OFFICE, THE ROBOTIC FACTORY AND INFORMATION-SATURATION EVERYWHERE? AGAIN TELEVISION GIVES US A SLIGHT INKLING OF THAT FUTURE.

TODAY CANADIANS SPEND SOME 500 MILLION HOURS A WEEK WATCHING TELEVISION -- ABOUT 23 HOURS PER WEEK PER PERSON. IN THE CASE OF CANADIAN CHILDREN, BY THE TIME THEY REACH THE AGE OF TWELVE, THEY WILL HAVE VIEWED SOME 12,000 HOURS OF TELEVISION -- ABOUT TWICE AS MUCH TIME AS THEY WILL HAVE SPENT ON THEIR FORMAL EDUCATION. THESE HOURS OF VIEWING CANNOT BUT HELP FORM OUR IMAGE OF OURSELVES. HOW MUCH GREATER, THEN, WILL BE THE RESULTS OF THE LOOMING NEW TECHNOLOGIES?

WE BECOME WHAT WE CONSUME INTELLECTUALLY. IF WE ABSORB FROM THESE POWERFUL MEDIA CONSCIOUSLY OR UNCONSCIOUSLY VALUES, STANDARDS, IDEAS AND IDEOLOGIES THAT ARE NOT OUR OWN, IS THERE NOT A REAL THREAT THAT WE MAY BEGIN NOT TO KNOW WHO WE ARE, OR TO RESPECT WHO WE ARE? IS THERE NOT AN EVEN GREATER THREAT IN THE POTENTIAL OF EVEN MORE ALL-PERVASIVE MEDIA?

THIS BRINGS US BACK ONCE MORE, AND EVEN MORE FORCEFULLY, TO THE QUESTION OF THE CONTENT THAT COUNTS -- THE SOFTWARE THAT IS IMPLIED BY THE NEW HARDWARE REVOLUTION. AS INDIVIDUALS, AS A COUNTRY WE NEED TO WIN THE RACE TO PRODUCE SOFTWARE - BOTH FOR ITS ECONOMIC AND ITS CULTURAL CONSEQUENCES.

IN THE PRODUCTION OF SOFTWARE, A SINGLE DETERMINING FACTOR SEPARATES THE WINNERS FROM THE ALSO-RANS. THAT FACTOR IS EXCELLENCE.

EXCELLENCE MEANS THE BEST POSSIBLE WORK IN WHATEVER AREA IS CHOSEN, THE LIVELIEST, THE MOST METICULOUS, THE MOST IMAGINATIVE, THE MOST INGENIOUS, THE MOST FORWARD-LOOKING, THE MOST CREATIVE, THE BOLDEST. IN OTHER WORDS, THE CONTENT, THE SOFTWARE THAT WILL MAKE PEOPLE ALL OVER THE WORLD LOOK TO CANADA FOR QUALITY AND SATISFACTION.

GIVEN THAT KIND OF ACCOMPLISHMENT, EXCELLENCE ITSELF IS OUR STRATEGY AND TELIDON, FIBRE OPTICS AND OUR SATELLITES, ALL PROVE THAT THE STRATEGY WORKS AND CAN CONTINUE TO EXPAND. THIS STRATEGY HAS BEEN ACTIVELY PURSUED BY NABU, SYSTEMHOUSE INC., BELL NORTHERN RESEARCH AND MANY OTHER COMMERCIAL ENTERPRISES.

HAVING ESTABLISHED IN OUR MINDS THAT EXCELLENCE OF CONTENT IS THE BASIS OF OUR STRATEGY REGARDING COMMUNICATIONS PRIORITIES, OUR IMMEDIATE TASK SEEMS TO BE: SELLING CANADIAN INGENUITY.

SELLING WILL NOT BE EASY. CANADA IS POSSIBLY THE ONLY MAJOR INDUSTRIAL COUNTRY THAT DOES NOT HAVE A BASIC MARKET OF 100 MILLION PEOPLE. CONSEQUENTLY, IT HAS BEEN ALMOST IMPOSSIBLE TO BUILD PLANTS HERE TO WORLD-SCALE PRODUCTION. BUT WITH COMPUTER-RUN ROBOTICS, WITH AUTOMATED PRODUCTION, THIS DRAWBACK COULD WELL BE OVERCOME, AND CANADA COULD REACH OUT AND COMPETE SUCCESSFULLY WORLDWIDE DESPITE ITS SMALL HOME MARKET BASE.

IT IS TIME NOW TO REAP THE ADVANTAGES THAT COME FROM EXPORTING NOT JUST RAW MATERIALS, BUT THE FULLY MANUFACTURED PRODUCT. WE HAVE THE CREATIVE TALENT AND THE TECHNICAL KNOW-HOW. WHY NOT THE MARKETS? FOR HALF A CENTURY, THE U.S. AUTO INDUSTRY CORNERED THE WORLD CAR MARKET. THEN CAME JAPAN. AS TELEVISION INNOVATOR NORMAN COHN SAID IN HIS BRIEF TO THE CRTC: "WHO WILL BE THE JAPAN OF TELEVISION PRODUCTION IN THE NEXT DECADE? WHY NOT CANADA?" AND WHY NOT LEADERS IN THE INFORMATION REVOLUTION AS WELL?

WITHIN THE CONTEXT OF A NEW NATIONAL CONSCIOUSNESS AND NEW NATIONAL MATURITY, WE ARE BEGINNING TO ASSESS OUR FUTURE MORE REALISTICALLY. AND BEGINNING TO COME TO GRIPS WITH IT. AND IT IS ABOUT TIME. IT IS, IN FACT, MORE THAN TIME. IT IS WITH GREAT JUSTIFICATION THAT THE SCIENCE COUNCIL'S RECENT REPORT IS SUBTITLED, "TOMORROW IS TOO LATE."

WHAT, THEN, WILL BE THE IMPACT OF THESE VAST MODIFICATIONS ON OUR DAILY LIVES IN THE IMMEDIATE AND THE LONG-RANGE FUTURE? WHAT MUST WE FACE BEFORE TOMORROW?

AS THE SCIENCE COUNCIL REPORT POINTS OUT, "COMPUTERS, COMMUNICATIONS AND THE WIDESPREAD APPLICATION OF MICROELECTRONICS ARE A TRANSFORMATIVE TECHNOLOGY."

CERTAINLY WE FACE THE ELECTRONIC INTERCONNECTION OF CANADIAN SOCIETY, WITH
COMPUTER "COURSE-WARE" INSTRUCTION IN SCHOOLS, COMPUTERIZED MEDICAL DIAGNOSTICS,
BANKING SERVICES AND ELECTRONIC MAIL.

BUT THE FIRST AND MOST OBVIOUS IMPACT WILL BE IN THE WORKPLACE. WITH THE
AUTOMATED OFFICE, WITH THE COMPUTERIZED ROBOT IN THE FACTORY TAKING OVER
HUNDREDS OF STULTIFYING TASKS IN INDUSTRY, GREAT NUMBERS OF JOBS WILL BECOME
OBSOLETE, AND EQUALLY GREAT NUMBERS OF JOBS WILL TAKE THEIR PLACE.

THE PROBLEM LIES IN THE TRANSITION PERIOD. UNLESS PROPERLY PREPARED --- AND THAT IS PART OF OUR JOB --- WORKERS CONFRONTED WITH CHANGE WILL TEND TO REACT LIKE THE LUDDITES OF THE EARLY NINETEENTH CENTURY, AND FOR THE SAME REASONS. YET THE BENEFICIAL RESULTS OF MECHANIZATION ARE CLEAR AND CATEGORICAL TO US TODAY. SO ARE THE EVENTUAL RESULTS OF THE POST-INDUSTRIAL REVOLUTION --ONCE THE DISLOCATIONS IN THE JOB MARKET ARE OVERCOME AND THE NECESSARY RE-TRAINING ACCOMPLISHED.

TODAY THE INTERLOPER ITSELF, THAT IS, THE COMPUTER, CAN BE USED TO HELP DEAL WITH THE CONDITIONS IT HAS CAUSED. THAT IS, COMPUTERS CAN BE PROGRAMMED TO TEACH COMPUTING, AND THE BLUE AND WHITE COLLAR WORKERS, DEPRIVED OF THEIR MENTAL REPETITIVE HACKWORK CAN BENEFIT FROM THEIR COMPUTER CONTACTS AND BECOME THE COMMANDERS, NOT THE SLAVES, OF THE VERY ROBOTS AND COMPUTERS THAT HAD APPARENTLY REPLACED THEM.

IN FACT, A WORLD COMPUTER CENTRE HAS BEEN SET UP IN PARIS WITH JUST THIS PURPOSE
-- TO HELP INDIVIDUALS, IN INDUSTRIAL COUNTRIES, AND ALSO IN THIRD WORLD
COUNTRIES, TO COPE WITH THE POST-INDUSTRIAL WORLD.

THE MULTIPLICITY OF CHANNELS TO COME, THE CONSTANTLY WIDENING CHOICES AVAILABLE
TO THE NEWLY FRAGMENTED MARKETS, DO CHALLENGE OUR PRESENT WAYS OF LIFE, BUT THEY
ALSO INCREASE OPPORTUNITIES IN WAYS HITHERTO NOT EVEN IMAGINED. SELECTIVITY,
ONE-TO-ONE ELECTRONIC RELATIONSHIPS, PARTICIPATORY CREATION, ALL LIE ONLY A
SHORT TIME AHEAD OF US.

THE NATURE OF WORK WILL BE CHANGED AS MUCH AS IT WAS CHANGED BY THE ASSEMBLY
LINE. PERSONAL COMPUTERS, LIKE TODAY'S POCKET CALCULATORS, WILL BECOME AS
COMMON AND AS INDISPENSABLE AS TELEPHONES.

IT IS TRUE THAT THESE TECHNOLOGIES HAVE THE POWER TO DRIVE US APART -- IF EACH OF US HUDDLES ALONE, IN FRONT OF A PERSONAL MULTI-MEDIA COMPUTER CENTRE. BUT THEY ALSO HAVE THE POWER TO BRING US (PERSON-TO-PERSON) CLOSER TOGETHER; TO BRING ABOUT THAT GLOBAL VILLAGE, OR RATHER A GLOBAL TOWN, WITH TELIDON PROVIDING THE UNIVERSAL TOWN-MEETING, TOWN CRIER AND TOWN STORY-TELLER AS WELL.

THESE NEW TECHNOLOGIES CAN HELP MAKE THE NEW MYTHS WE NEED AS HUMAN BEINGS. AS NORTHROP FRYE SAYS IN HIS LATEST WORK, "THE GREAT CODE." "MAN LIVES, NOT DIRECTLY OR NAKEDLY IN NATURE LIKE THE ANIMALS, BUT WITHIN A MYTHOLOGICAL UNIVERSE, A BODY OF ASSUMPTIONS AND BELIEFS DEVELOPED FROM HIS EXISTENTIAL CONCERNS. MOST OF THIS IS HELD UNCONSCIOUSLY, WHICH MEANS THAT OUR IMAGINATIONS MAY RECOGNIZE ELEMENTS OF IT, WHEN PRESENTED IN ART OR LITERATURE, WITHOUT CONSCIOUSLY UNDERSTANDING WHAT IT IS THAT WE RECOGNIZE...THE PRIMARY FUNCTION OF MYTHOLOGY IS TO FACE INWARD TOWARD THE CONCERNS OF THE SOCIETY THAT POSSESSES IT..."

WHAT WE WILL SEEK NOW AND IN THE NEAR FUTURE ARE NOT REHASHES OF THE MYTHS OF
LEGEND AND LITERATURE, BUT A NEW VOCABULARY, SPEAKING TO AND FOR OUR TIME --
MYTHS WHICH APPEAR NOT NECESSARILY IN THEIR PRIMITIVE FORMS, BUT AS POLITICAL
BY-WORDS, POPULAR SONGS, SITUATION COMEDIES AND (WHY NOT?) EVEN ADVERTISING
SLOGANS.

TO FUNCTION EFFECTIVELY IN THIS DYNAMIC, RAPIDLY CHANGING, NEW ELECTRONIC WORLD,
FLEXIBILITY, WILLINGNESS TO ADAPT AND SPEED OF RESPONSE WILL BE ESSENTIAL
INGREDIENTS.

THE NAME OF TOMORROW'S GAME IN THE INFORMATION SOCIETY WILL BE INNOVATION, AN
ENVIRONMENT WHERE THE NEWEST PRODUCTS ARE ALMOST IMMEDIATELY RENDERED OBSOLETE,
AND WHERE SUCH SWIFT CHANGE IS THE UNIVERSAL AND UNIVERSALLY ACCEPTED NORM.

ALTHOUGH THE PRACTICAL WORLD HAS ALWAYS BEEN READY TO SEIZE ON THE PRACTICAL APPLICATIONS OF THOUGHT -- FROM ELECTRICITY TO SOCIAL FUTUROLOGY -- IN THE PAST, THE MORE PROFOUND SPECULATIONS OF THE LEARNED MEMBERS OF MODERN SOCIETY HAVE BEEN TREATED BY "PRACTICAL" PEOPLE, LIKE POLICITIANs AND BUSINESSMEN, WITH A CERTAIN LEVITY -- NOT UNLIKE THE POPULAR ATTITUDE TOWARDS PHYSICISTS BEFORE THE HARNESSING OF THE ATOM. TODAY AND TOMORROW, HOWEVER, THESE PHILOSOPHICAL, SOCIOLOGICAL, ETHICAL AND LEARNED SPECULATIONS WILL FIND THEMSELVES SUDDENLY TRANSPORTED FROM THE STUDY INTO THE FOREFRONT OF OUR LIVES AND OUR IMMEDIATE CONCERNS, WHERE THEY WILL BE REQUIRED TO HELP PROBE, TO FORECAST AND TO GUIDE US.

YOUR STUDIES WILL NOW HAVE TO HELP US ANSWER THE IMPLACABLE QUESTIONS OUR NEW LIFE'S ORGANIZATION WILL PLACE BEFORE US.

BRACE YOURSELVES. IT LOOKS LIKE THE FUTURE IS LYING IN WAIT FOR YOU.

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CHECK AGAINST DELIVERY

INTERNATIONAL COLLABORATION IN COMMUNICATIONS

NOTES FOR AN ADDRESS

BY THE HONOURABLE FRANCIS FOX

MINISTER OF COMMUNICATIONS

AT THE OPENING OF THE TWENTY-FIRST MEETING

OF THE COMMONWEALTH TELECOMMUNICATIONS COUNCIL

MONTREAL, QUEBEC

MONDAY, JULY 12, 1982



Government of Canada
Department of Communications

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Ministère des Communications

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WHEN MY GOOD FRIEND AND COLLEAGUE JEAN-CLAUDE DELORME, PRESIDENT OF TELEGLOBE CANADA, INVITED ME TO GIVE THE OPENING ADDRESS TO THIS TWENTY-FIRST MEETING OF THE COMMONWEALTH TELECOMMUNICATIONS COUNCIL, IT WAS AN HONOR TO WHICH I WAS HAPPY TO RESPOND. I KNOW THAT MR. DELORME HAS HAD A LONG-STANDING AND ACTIVE INTEREST IN THE AFFAIRS OF THE COMMONWEALTH TELECOMMUNICATIONS ORGANIZATION AND HE HAS KEPT ME UP-TO-DATE ON THESE MATTERS. NATURALLY, YOUR WORK IS OF GREAT IMPORTANCE TO ME AS CANADIAN MINISTER OF COMMUNICATIONS, BUT MY OWN INTERESTS GO BEYOND THE OFFICE WHICH I HOLD. TO ME, COMMUNICATIONS IS AN EXCITING AND INSPIRING MIX OF EXPLODING TECHNOLOGY, CULTURE AND ECONOMICS WHICH IS RAPIDLY CHANGING THE LIVES OF ALL WHO LIVE ON THIS PLANET. THE CONSTANT CHALLENGE IS TO MAKE THAT MIX WORK FOR THE EFFECTIVE BETTERMENT OF THOSE WHO ARE TOUCHED BY IT.

IN RECENT YEARS, THE HORIZONS OF THE COMMUNICATIONS WORLD HAVE EXPANDED AT AN ASTONISHING RATE -- PERHAPS MORE QUICKLY THAN THE HUMAN MIND'S CAPACITY TO COMPREHEND. IN AN AGE WHEN THE DAY BEFORE YESTERDAY IS ALREADY HISTORY, IT IS A RARE AND SPECIAL PLEASURE TO BE ADDRESSING AN INTERNATIONAL COMMUNICATIONS ORGANIZATION WHICH TRACES ITS ORIGINS BACK MORE THAN HALF A CENTURY. IN COMMUNICATIONS, THAT IS ANCIENT HISTORY. WE CAN SHARE PRIDE THAT THE COMMONWEALTH RECOGNIZED SO EARLY THE ADVANTAGES OF INTERNATIONAL COOPERATION IN COMMUNICATIONS, AND WAS ABLE TO ADAPT SO SUCCESSFULLY TO CONDITIONS UNDREAMED OF WHEN THE IMPERIAL COMMUNICATIONS ADVISORY COMMITTEE WAS ESTABLISHED IN 1928. THOUGH MOST OF US ALSO BECAME MEMBERS OF OTHER INTERNATIONAL AND REGIONAL BODIES, SUCH AS INTELSAT, PANAFTEL AND CITEL, WHICH CAME MUCH LATER, THE COMMONWEALTH TELECOMMUNICATIONS ORGANIZATION REMAINS A VALUED INSTRUMENT WHICH REFLECTS THAT SPECIAL KIND OF RELATIONSHIP AMONG PARTNERS, WHICH IS THE OUTSTANDING FEATURE OF THE COMMONWEALTH ITSELF.

THE CTO REMAINS ALSO A FLEXIBLE ORGANIZATION, AS WE HAVE SEEN MANY TIMES OVER THE YEARS. THIS HAS BEEN PARTICULARLY EVIDENT IN RECENT MONTHS IN THE WAY YOU ARE OVERCOMING THE PROBLEM OF DEVISING A NEW "PARCOURS BASE" PLAN TO REPLACE EXISTING COST-SHARING ARRANGEMENTS IN ORDER THAT THESE MAY MORE EQUITABLY FIT INTO THE RAPIDLY EVOLVING SPHERE OF INTERNATIONAL TELECOMMUNICATIONS. AS A REPRESENTATIVE OF GOVERNMENT, I CAN ASSURE YOU WITH SOME FEELING THAT THERE IS NO MORE SEVERE TIME OF TESTING THAN OCCASIONS WHEN FINANCIAL ARRANGEMENTS ARE BEING FUNDAMENTALLY REALIGNED. THIS IS A TEST WHICH THIS COUNCIL HAS MET WITH FORESIGHT, GOOD SENSE AND, I MIGHT ADD, RESOURCEFULNESS. YOU ARE TO BE CONGRATULATED ON YOUR EXTRAORDINARY EFFORTS IN DEVELOPING A COMPLETELY NEW SET OF FINANCIAL ARRANGEMENTS. INDEED, THE VERY PURPOSE OF THIS MEETING IS TO FINALIZE THESE ARRANGEMENTS IN ORDER TO MAKE A RECOMMENDATION TO YOUR GOVERNMENTS IN TIME FOR THE NOVEMBER CONFERENCE OF THE COMMONWEALTH TELECOMMUNICATIONS ORGANIZATION IN NICOSIA.

CANADA'S CONTINUED INVOLVEMENT WILL BE EXPRESSED NOT ONLY IN FINANCIAL SUPPORT, BUT ALSO IN ALL THE OTHER RELATED COLLABORATIVE ACTIVITIES OF THE CTO. YOU MAY AGREE THAT THE RAPID DEVELOPMENT OF BOTH THE SCIENCE AND THE INDUSTRY OF COMMUNICATIONS IN CANADA PUTS US IN A POSITION OF SOME INTEREST TO OTHER MEMBERS OF THE COMMONWEALTH. PERHAPS YOU WILL PERMIT ME TO REVIEW BRIEFLY JUST WHAT WE HAVE BEEN DOING.

WE HAVE BEEN WORKING HARD. I WOULD LIKE TO CLAIM THAT OUR EFFORTS IN COMMUNICATIONS REFLECT GREAT FORESIGHT, BUT I MUST ACKNOWLEDGE THAT THEY ARE IN LARGE PART A RESPONSE TO OUR GEOGRAPHY. IN CANADA WE HAVE A POPULATION OF 24 MILLION PEOPLE IN TEN PROVINCES AND TWO NORTHERN TERRITORIES SPREAD ACROSS THE SECOND LARGEST COUNTRY IN THE WORLD. NINETY PER CENT OF OUR POPULATION LIVES ALONG A NARROW SOUTHERN CORRIDOR 5,000 KILOMETERS LONG, WHILE THE REMAINING TEN PER CENT IS SCATTERED ACROSS A VAST AREA. OUR PEOPLE LIVE IN LARGE METROPOLITAN AREAS AS WELL AS IN REMOTE COMMUNITIES THAT DEVELOP OUR AGRICULTURAL, FISHING, LUMBER AND MINERAL RESOURCES. OUR CLIMATE IS SUCH THAT EVEN RELATIVELY SHORT DISTANCES CAN BE MAJOR OBSTACLES TO THE INTERACTION BETWEEN INDIVIDUALS.

IN CANADA WE MUST PROVIDE COMMUNICATIONS FOR AN EXTRAORDINARILY DIVERSE SOCIAL MOSAIC. WE HAVE TWO OFFICIAL LANGUAGES, AND A MULTI-CULTURAL SOCIETY. WE MUST ALSO SERVE THE INUIT IN THE NORTH, OTHER NATIVE PEOPLES IN EVERY PROVINCE AND IMMIGRANT COMMUNITIES IN BOTH URBAN AND RURAL SETTINGS. THAT IS WHY WE HAVE LONG RECOGNIZED THE IMPORTANCE OF COMMUNICATION SYSTEMS - FROM A TRANSCONTINENTAL RAILWAY IN 1883 TO A TRANS-CANADA RADIO NETWORK IN 1927, A TRANS-CANADA TELEPHONE NETWORK IN 1932, A DOMESTIC GEOSTATIONARY COMMUNICATIONS SATELLITE IN 1972, AND THE FIRST NATIONWIDE DIGITAL DATA SYSTEM IN 1973.

AS YOU MAY KNOW, CANADA WAS THE FIRST COUNTRY IN THE WORLD TO DEVELOP A GEOSTATIONARY DOMESTIC COMMUNICATIONS SATELLITE NETWORK, USING THE FAMILY OF ANIK SATELLITES. THROUGH OUR HERMES PROGRAM, WE HAVE CONTRIBUTED SIGNIFICANTLY TO INTERNATIONAL SATELLITE TECHNOLOGY, PARTICULARLY IN THE FIELD OF DIRECT BROADCAST SERVICES. HERMES WAS THE FIRST HIGH-POWERED SATELLITE TO OPERATE IN THE 14 AND 12 GIGAHERTZ FREQUENCY BANDS. OVERALL CANADA RELIES HEAVILY ON COMMUNICATIONS AND COMPUTER TECHNOLOGY, AND INVESTS A GREAT DEAL IN RESEARCH AND DEVELOPMENT.

THE ECONOMIC DEVELOPMENT OF CANADA, PERHAPS MORE THAN THAT OF ANY OTHER COUNTRY, DEPENDS, AND HAS ALWAYS DEPENDED, ON RAPID, EFFICIENT, ECONOMICAL AND RELIABLE COMMUNICATIONS. BUT MORE, WE ALSO HAVE FOUND, AS, PERHAPS YOU HAVE AS WELL, THAT COMMUNICATIONS ARE ESSENTIAL IN BUILDING A SENSE OF NATIONAL COMMUNITY AND A SENSE OF BELONGING TO THAT COMMUNITY AND OF THAT COMMUNITY BELONGING TO EACH AND EVERY ONE OF ITS MEMBERS. SELF-KNOWLEDGE AND SELF-AFFIRMATION BRING SOCIAL MATURITY AND ACCOMPLISHMENT TO INDIVIDUALS. IN THE SAME WAY, THE AFFIRMATION OF NATIONAL IDENTITY THROUGH NATIONAL CULTURE, OF WHICH ALL COMMUNICATIONS ARE SO SIGNIFICANT A PART, BRINGS WITH IT A SENSE OF ACCOMPLISHMENT WITHIN THE FAMILY OF NATIONS.

THESE REALITIES HAVE STRENGTHENED US IN OUR RESOLVE TO MAKE LARGE INVESTMENTS IN COMMUNICATIONS. AND THESE INVESTMENTS HAVE BEEN MADE BY BOTH THE PUBLIC AND PRIVATE SECTORS. WE BELIEVE THAT IT IS NOT ENOUGH TO DEVELOP THE SCIENTIFIC AND TECHNOLOGICAL ANSWERS TO THE DEMANDS OF MODERN COMMUNICATIONS: WE MUST BE ABLE TO PUT THEM IN PLACE. FOR THIS REASON, WE HAVE ALSO FOSTERED A GROWING INDUSTRY WHICH HAS BECOME A SUPPLIER TO CANADA AND THE WORLD. THIS HAS NOT BEEN EASY FOR A COUNTRY OF LIMITED POPULATION WITH MANY DEMANDS UPON IT. THE POLICY HAS, HOWEVER, YIELDED DIVIDENDS BOTH IN COMMUNICATIONS SYSTEMS AND IN WELL-TRAINED PEOPLE AVAILABLE TO FACE THE PROBLEMS OF TODAY AND TOMORROW.

WE HAVE LONG DEPENDED ON COUNTRY-WIDE MICROWAVE SYSTEMS FOR COMMERCIAL AND PUBLIC COMMUNICATIONS, AND THERE ARE SPECIAL NETWORKS FOR ELECTRICAL UTILITIES, BROADCASTING AND INDUSTRY. CANADIAN INDUSTRY PROVIDES THE HARDWARE, INCLUDING TOWERS, ANTENNAS, TRANSMISSION AND SWITCHING SYSTEMS BASED ON DIGITAL TECHNOLOGY. SPECIAL RURAL SYSTEMS HAVE BEEN DEVELOPED TO SERVE AREAS WITH PARTICULAR PROBLEMS OF TERRAIN AND ACCESSIBILITY. IN ADDITION TO THE PHYSICAL FACILITIES, CANADIAN COMPANIES PROVIDE TRAINING IN INSTALLATION, OPERATION AND MANAGEMENT IN ALL AREAS OF TELECOMMUNICATIONS.

BECAUSE MICROWAVE SYSTEMS ARE NOT THE WHOLE ANSWER FOR COMMUNICATIONS IN REMOTE AND DISTANT AREAS, WE HAVE MADE A LARGE INVESTMENT IN SATELLITES. MOST OF YOU MAY KNOW THAT CANADA WAS THE THIRD COUNTRY IN THE WORLD TO HAVE ITS OWN SATELLITES IN ORBIT, AND WE WERE THE FIRST TO HAVE A DOMESTIC COMMERCIAL SATELLITE SYSTEM IN GEOSTATIONARY ORBIT. THE CURRENT SERIES OF ANIK-D SATELLITES, FOR WHICH A CANADIAN COMPANY WAS THE PRIME CONTRACTOR, HAS OPENED UP NEW POSSIBILITIES FOR COMMUNICATIONS IN DISTANT AREAS, AND HAVE TAUGHT US MUCH ABOUT THE USE OF SPACE COMMUNICATIONS TO SERVE THE ECONOMIC, SOCIAL AND CULTURAL NEEDS OF OUR SCATTERED POPULATION.

CANADA WAS ONE OF THE FIRST COUNTRIES TO APPLY FIBRE OPTICS TECHNOLOGY TO EXTENDED COMMUNICATIONS. FIBRE OPTICS HAVE BEEN APPLIED TO TELEPHONE TRUNK LINES, SUBSCRIBER LOOPS AND CABLE TELEVISION. ONE OF OUR WESTERN PROVINCES, SASKATCHEWAN, WILL SOON HAVE THE LONGEST FIBRE OPTICS SYSTEM IN THE WORLD, WITH A NETWORK 3200 KILOMETRES LONG, SUPPLIED BY CANADIAN INDUSTRY.

MOBILE TELEPHONE SYSTEMS, MOBILE RADIO EQUIPMENT AND SO-CALLED TRAIL RADIOS HAVE OCCUPIED THE ATTENTION OF GOVERNMENT LABORATORIES AND INDUSTRY BECAUSE OF OUR SPECIAL NEEDS. THERE HAVE ALSO BEEN GREAT STRIDES IN THE DESIGN, DEVELOPMENT AND MANUFACTURE OF TERMINAL EQUIPMENT. THE MANUFACTURE OF HARDWARE FOR ALL PHASES OF RADIO AND TELEVISION BROADCASTING HAS BECOME A MAJOR CANADIAN INDUSTRY. ITS PRODUCTS NOW INCLUDE SATELLITE ANTENNAS AND RECEIVERS, AS WELL AS COMPONENTS FOR CABLE SYSTEMS.

A PARALLEL FIELD OF ENDEAVOR WHICH MAY INTEREST YOU IS ENGINEERING AND CONSULTING SERVICES PROVIDED BY GOVERNMENT AND INDUSTRY. MEMBERS OF THE CTO HAVE OFTEN FOUND OCCASION TO AVAIL THEMSELVES OF THESE SERVICES.

IT IS MORE THAN NATIONAL PRIDE WHICH PROMPTS ME TO OUTLINE THESE ACTIVITIES.

I KNOW THAT YOU ARE GIVING CONSIDERATION TO THE NON-FINANCIAL ASPECTS OF
COLLABORATION THROUGH THE CTO. I WOULD LIKE TO REMIND YOU OF CANADA'S READINESS
TO SHARE EXPERIENCE IN THIS RAPIDLY DEVELOPING FIELD. AND, TO NO LESS AN
EXTENT, WE IN CANADA ARE EAGER TO HEAR ABOUT YOUR ACTIVITIES AND, IN TURN,
PERHAPS TO SHARE IN YOUR ACCOMPLISHMENTS.

WE SEE SUCH EXCHANGES AS MORE THAN A CONTRIBUTION TO COMMUNICATIONS. THEY ARE A
MEANS OF GIVING EFFECT TO THAT SPIRIT OF SHARING WHICH CHARACTERIZES RELATIONS
AMONG COMMONWEALTH MEMBERS. THEY ARE ALSO A TANGIBLE EXAMPLE OF OUR DESIRE TO
FIND CONCRETE WAYS TO ENHANCE THE NORTH-SOUTH DIALOGUE WITH WHICH OUR PRIME
MINISTER HAS BEEN SO CLOSELY IDENTIFIED.

SPEAKING AT THE COMMONWEALTH CONFERENCE IN MELBOURNE LAST YEAR, MR. TRUDEAU REFERRED TO "THE GROWING APPRECIATION THAT INTERDEPENDENCE IS NO LONGER A MERE SLOGAN TO WHICH WE PAY LIP SERVICE, BUT A REALITY WHICH AFFECTS THE CAPACITY OF ANY STATE, LARGE OR SMALL, TO PURSUE NATIONAL GOALS. RELATED TO THIS CONCEPT IS THAT OF MUTUAL ADVANTAGE -- THAT WHAT WE DO TO HELP EACH OTHER ALSO BENEFITS OUR INDIVIDUAL LONG-TERM INTERESTS."

IN THIS SPIRIT, CANADA HAS LONG BEEN SHARING EXPERIENCE IN COMMUNICATIONS. SINCE ITS EARLIEST DAYS, THE CANADIAN BROADCASTING CORPORATION HAS BEEN ASSISTING BROADCASTING DEVELOPMENTS IN MANY COMMONWEALTH COUNTRIES. THESE REQUESTS HAVE RECENTLY BEEN INCREASING. IN THE LAST TWO YEARS, THE CANADIAN BROADCASTING CORPORATION HAS SENT SPECIALISTS TO MORE THAN 15 COUNTRIES. IT HAS A PARTICULARLY LONG RECORD OF COOPERATION WITH THE ASIA-PACIFIC INSTITUTE OF BROADCASTING DEVELOPMENT IN MALAYSIA, AND WE LOOK FORWARD TO A CONTINUED STRENGTHENING OF TIES IN THAT REGION.

JUST LAST MONTH, IN FACT, WE HOSTED BOTH THE TWELFTH WORLD CONFERENCE OF THE INTERNATIONAL COUNCIL FOR CORRESPONDENCE EDUCATION AND THE BIENNIAL MEETING OF THE COMMONWEALTH BROADCASTERS ASSOCIATION. COOPERATION AND COLLABORATION WERE THE BASIC AND UNDERLYING THEMES OF BOTH THESE MEETINGS.

ALTHOUGH CANADA IS A WORLD LEADER IN SATELLITE COMMUNICATIONS AND HAS, PARTICULARLY IN RECENT TIMES, BEEN ASKED TO PROVIDE OTHER COUNTRIES WITH SOME ASSISTANCE IN TRAINING, RECRUITMENT OF EXPERTS AND IN TECHNICAL HELP THROUGH CANADIAN INDUSTRY, WE ALSO HAVE MUCH TO LEARN FROM OTHER COMMONWEALTH MEMBERS, AND OTHER NATIONS AROUND THE WORLD. MUTUAL SELF-HELP IS OF GREAT INTEREST TO US, AND I HOPE THAT THE CTO WILL FIND IT USEFUL TO CONSIDER COLLABORATION ALONG SUCH LINES.

IN OUR DESIRE TO WORK TOGETHER, WE START WITH CONSIDERABLE, THOUGH INTANGIBLE, ADVANTAGES. AS FELLOW MEMBERS OF BOTH THE COMMONWEALTH AND THE CTO, WE HAVE A LONG-ESTABLISHED TRADITION OF EASY EXCHANGE AMONG FRIENDLY NEIGHBORS. IN PLACE OF THE FORMALITIES OF INTERGOVERNMENTAL PROTOCOL, WE WELCOME DIRECT CONTACT WITH WORKING ORGANIZATIONS IN CANADA, LIKE TELEGLOBE AND THE DEPARTMENT OF COMMUNICATIONS, AS WELL AS PRIVATE INDUSTRY.

NATURALLY OUR INTEREST IN INTERNATIONAL COOPERATION EXTENDS ALSO TO BROADER FIELDS. IN THIS CONNECTION, WE SHALL ALL BE GIVING CONSIDERATION TO WORLD COMMUNICATIONS YEAR 1983, THE AIM OF WHICH IS THE DEVELOPMENT OF COMMUNICATIONS INFRASTRUCTURES. THIS WILL PROVIDE THE OPPORTUNITY AND THE CHALLENGE FOR SIGNIFICANT PROGRESS TOWARDS THE ULTIMATE GOAL OF A WORLD WHERE EVERY INHABITANT WILL BE WITHIN REACH OF THE LOCAL, NATIONAL AND INTERNATIONAL COMMUNITY. WHILE THE FOCUS WILL BE ON THE DEVELOPMENT OF INFRASTRUCTURES AT THE NATIONAL LEVEL, THE SPECIAL RELATIONSHIPS AMONG MEMBERS OF THE CTO PROVIDE STIMULUS TO PROGRESS BY OUR PARTNERS.

BY THE END OF 1983, WE HOPE TO BE ABLE TO LOOK BACK WITH SATISFACTION ON ACOMPLISHMENTS MADE THROUGH WORLD COMMUNICATIONS YEAR. WE SHALL, OF COURSE, BE SEEING NOT ONLY NEW PHYSICAL FACILITIES, BUT THE EQUALLY IMPORTANT DEVELOPMENT OF ORDERLY PLANNING AND THE ENRICHMENT OF EXPERIENCE AMONG THOSE RESPONSIBLE FOR NATIONAL COMMUNICATIONS PROGRAMS. IN THIS ERA OF INTERDEPENDENCE, THE PROGRESS ACHIEVED BY EACH COUNTRY WILL BE COUNTED AS PROGRESS FOR ALL.

THROUGH PARTICIPATION IN WORLD COMMUNICATIONS YEAR AND THROUGH OUR ACTIVE MEMBERSHIP IN SUCH BODIES AS THE CTO, CANADA HOPES IN PART TO FULFILL ITS INTERNATIONAL RESPONSIBILITIES. I WOULD NOT, HOWEVER, LIKE TO LET MY ENTHUSIASM FOR OUR OWN WORK LEAVE YOU WITH THE IMPRESSION THAT WE THINK WE HAVE FOUND ALL THE ANSWERS TO COMMUNICATIONS PROBLEMS. DESPITE THE PRIORITY WE HAVE GIVEN TO COMMUNICATIONS, DESPITE THE PROGRESS OF CANADIAN INDUSTRY, WE ARE STILL LEARNING. WE ARE ALSO, IN A LARGE PART OF OUR GEOGRAPHY, STILL A DEVELOPING COUNTRY WITH A SYMPATHETIC UNDERSTANDING OF OTHER DEVELOPING COUNTRIES. WE ARE AS READY TO LISTEN AS TO SHARE OUR EXPERIENCE, AND THE CTO PROVIDES A FORUM WHERE THIS CAN BE DONE.

SOMETIMES I THINK, WHERE COMMUNICATIONS ARE CONCERNED, THERE IS NO SUCH THING AS A DEVELOPED COUNTRY. THE MARVELS OF TECHNOLOGY, UNRAVELLED JUST YESTERDAY, RISK OBSOLESCENCE TODAY. WE ARE ON A VERY FAST TECHNOLOGICAL JOURNEY. OUR BEST HOPE FOR THE FUTURE IS TO TRAVEL TOGETHER, WORKING AND SHARING AS FRIENDS AND PARTNERS.

IN THAT OBJECTIVE, THE COMMONWEALTH TELECOMMUNICATIONS COUNCIL WILL CONTINUE TO PLAY A VITAL PART. THAT IS WHY IT IS AN HONOR AND A PLEASURE FOR ME TO OPEN THIS TWENTY-FIRST MEETING.

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CHECK AGAINST DELIVERY

THE ROLE OF NEW TECHNOLOGIES IN ECONOMIC RECOVERY

NOTES FOR AN ADDRESS

BY THE HONOURABLE FRANCIS FOX,

MINISTER OF COMMUNICATIONS,

TO THE INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS

MONTREAL (QUEBEC)

MONDAY, SEPTEMBER 20, 1982



Government of Canada
Department of Communications

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I AM VERY PLEASED TO HAVE BEEN INVITED TO SPEAK TO A GROUP OF PROFESSIONAL COMMUNICATORS WHO SHARE MY INTEREST IN THE REMARKABLE CHANGES THAT ARE TAKING PLACE IN OUR SOCIETY THROUGH THE DEVELOPMENT OF NEW INFORMATION TECHNOLOGIES. AS MEMBERS OF THE INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS, YOU ARE IN THE ENVIABLE -- AND, I WOULD IMAGINE, SOMETIMES CONFUSING -- POSITION OF WITNESSING THE INFORMATION REVOLUTION FROM FRONT ROW SEATS. CHANGES IN COMMUNICATIONS TECHNOLOGY IN PARTICULAR, AND THEIR EFFECTS UPON THE WAY PEOPLE RECEIVE AND REACT TO INFORMATION, ARE OBVIOUSLY A MATTER OF VITAL CONCERN TO YOU IN YOUR DAILY BUSINESS ACTIVITIES.

I DO NOT NEED TO GO INTO GREAT DETAIL FOR THIS AUDIENCE ABOUT THE RAPID ADVANCES IN HARDWARE AND SOFTWARE THAT ARE ASSOCIATED WITH THE MICRO-CHIP, WITH NEW SATELLITE SYSTEMS, AND WITH HIGH-SPEED DIGITAL COMMUNICATIONS. YOU ARE ALL WELL AWARE OF THE IMPRESSIVE PROGRESS IN THIS AREA. IT HAS BEEN SAID THAT IF THE AUTOMOTIVE INDUSTRY HAD UNDERGONE AS RADICAL A TRANSFORMATION AS THE COMPUTER AND COMMUNICATIONS INDUSTRIES IN THE PAST TWENTY YEARS, WE WOULD BE ABLE TO BUY A ROLLS ROYCE TODAY FOR ABOUT \$1.75 AND EXPECT TO TRAVEL SEVERAL THOUSAND KILOMETRES ON A LITRE OF GAS.

RATHER THAN FOCUSING ON THE TECHNOLOGY ITSELF, I WOULD LIKE TO DISCUSS ITS WIDER IMPLICATIONS FOR SOCIETY, AND THE VITAL ROLE THAT IT CAN -- AND MUST -- PLAY IN HELPING OUR NATION MEET THE CHALLENGE OF ECONOMIC RECOVERY.

THROUGHOUT THE INDUSTRIALIZED WORLD IN THE PAST DECADE, THE TRADITIONAL STRUCTURES OF COMMERCE, INDUSTRY, EDUCATION, ENTERTAINMENT, AND CULTURE HAVE BEEN RESHAPED BY THE IRRESISTIBLE FORCE OF TECHNOLOGICAL CHANGE. COMPUTER-AIDED DESIGN AND MANUFACTURING, AUTOMATED EQUIPMENT, INTEGRATED ELECTRONIC OFFICE SYSTEMS AND NEW INFORMATION MEDIA HAVE BEGUN TO TRANSFORM THE WAY WE WORK, THE WAY WE LEARN, AND THE WAY WE CONDUCT OUR DAILY LIVES.

COINCIDENT WITH THESE RAPID ADVANCES, THE WORLD ECONOMY HAS BEEN IN A STATE OF TURBULENCE AND UNCERTAINTY. NATIONS EVERYWHERE HAVE EXPERIENCED HIGH UNEMPLOYMENT, HIGH INFLATION AND SOCIAL PROBLEMS OF AN UNPRECEDENTED KIND. THESE FORCES HAVE PLACED UNUSUAL STRAINS ON RELATIONS BETWEEN EVEN THE FRIENDLIEST OF NATIONS. THE RECESSION HAS LED TO AN INTERNATIONAL RESURGENCE OF PROTECTIONISM THAT THREATENS TO UNDERMINE MANY YEARS OF PROGRESS TOWARDS FREER AND FAIRER TRADE PRACTICES. AND AS PRIME MINISTER TRUDEAU TOLD THE RECENT MEETING OF THE INTERNATIONAL MONETARY FUND IN TORONTO, ONE OF THE GREATEST CHALLENGES FACING THE GLOBAL COMMUNITY TODAY IS TO REMEMBER THAT WE ARE A COMMUNITY. WE MUST RESIST A "BEGGAR MY NEIGHBOUR" APPROACH TO INTERNATIONAL RELATIONS THAT WOULD ULTIMATELY CRIPPLE US ALL.

THE CONVERGENCE OF THESE FORCES OF RAPID TECHNOLOGICAL CHANGE, DRASTIC ECONOMIC UPHEAVAL, AND A MORE COMPETITIVE INTERNATIONAL ENVIRONMENT POSES A SERIOUS DILEMMA TO EVERY NATION TODAY.

IN THESE CIRCUMSTANCES, IT BECAME OBVIOUS TO US THAT THE NATION WAS LOOKING FOR CLEAR DIRECTION AND LEADERSHIP FROM THE FEDERAL GOVERNMENT TO PUT A STOP TO THE INFLATIONARY SPIRAL AND LAY THE FOUNDATIONS FOR ECONOMIC RENEWAL. IT WAS IN THIS CONTEXT THAT THE MINISTER OF FINANCE ANNOUNCED MAJOR NEW INITIATIVES FOR RECOVERY IN HIS JUNE 28 BUDGET.

THE MOST NOTABLE ASPECTS OF THIS RECOVERY PROGRAM ARE THE GOVERNMENT'S COMMITMENT TO RESTRAINT IN SALARIES AND SPENDING. WAGES OF WORKERS IN THE FEDERAL PUBLIC SECTOR WILL BE HELD TO INCREASES OF NO MORE THAN SIX PERCENT AND FIVE PERCENT OVER THE NEXT TWO YEARS. THIS WILL REDUCE DEMANDS ON THE PUBLIC PURSE DURING THAT PERIOD, AND WILL ALSO -- THROUGH EXAMPLE -- HELP TO COOL THE WAGE DEMANDS OF WORKERS IN THE PRIVATE SECTOR, THUS REDUCING INFLATIONARY PRESSURES. THE GOVERNMENT HAS ALSO COMMITTED ITSELF TO THE REDUCTION OF WHAT MANY HAVE REGARDED AS FRILLS IN OUR OPERATIONS.

WAGE RESTRAINTS AND SPENDING REDUCTIONS HAVE ALLOWED THE GOVERNMENT GREATER FLEXIBILITY IN DEALING WITH HIGH PRIORITY CONCERNS. WE HAVE BEEN ABLE TO FREE UP \$200 MILLION THAT WOULD HAVE BEEN SPENT THIS YEAR ON SALARIES AND FRILLS. THIS MONEY WILL BE REALLOCATED TO ECONOMIC RECOVERY PROGRAMS. THE AMOUNT OF MONEY REALLOCATED IN THIS MANNER FOR NEXT FISCAL YEAR IS AN ADDITIONAL \$500 MILLION.

AS YOU WILL BE AWARE, OUR SIX AND FIVE PROGRAM HAS BEEN RECEIVED VERY FAVORABLY BY MOST CANADIANS. LEADERS FROM BUSINESS AND INDUSTRY HAVE ANNOUNCED THEIR SUPPORT, AND MANY HAVE AGREED TO FOLLOW OUR LEAD IN HOLDING DOWN WAGES AND PRICES. THE PERSON IN THE STREET AGREES TOO. THE LATEST GALLUP POLL INDICATED THAT 64 PER CENT OF CANADIANS ARE IN FAVOR OF RESTRAINTS ON THE SALARIES OF PUBLIC SERVANTS, 67 PER CENT AGREE THAT THE 6/5 PROGRAM SHOULD BE EXTENDED TO PROVINCIAL PUBLIC SERVANTS AND 63 PER CENT FEEL THE PROGRAM SHOULD BE EXTENDED TO THE PRIVATE SECTOR. IN THE COMMUNICATIONS SECTOR, I HAVE PERSUADED FEDERALLY-REGULATED TELEPHONE, TELECOMMUNICATIONS AND CABLE COMPANIES TO FOLLOW THE SIX AND FIVE GUIDELINES AND LIMIT RATE INCREASES TO THESE LEVELS FOR THE NEXT TWO YEARS. THIS ACTION WILL SAVE PRIVATE AND BUSINESS TELEPHONE USERS AND CABLE SUBSCRIBERS HUNDREDS OF MILLIONS OF DOLLARS DURING THE RESTRAINT PERIOD.

UNLESS WE KEEP INFLATION DOWN TO THE SAME LEVEL AS OUR MAJOR TRADING PARTNERS, CANADA WILL NOT PARTICIPATE IN THE COMING ECONOMIC RECOVERY. BUT INFLATION IS ONLY PART OF THE PROBLEM. PRODUCTIVITY AND INNOVATION WILL BE EVEN MORE IMPORTANT IN SECURING RENEWED ECONOMIC PROSPERITY.

GOVERNMENT AND INDUSTRY IN SOME OTHER COUNTRIES HAVE RECOGNIZED THIS FACT AND MOVED AGGRESSIVELY TO TAKE ADVANTAGE OF IT.

THESE COUNTRIES, PARTICULARLY JAPAN, HAVE TURNED TO HIGH TECHNOLOGY, ESPECIALLY MICROELECTRONICS, AS THE KEY TOOL FOR CAPTURING A GREATER SHARE OF FOREIGN MARKETS, FOR PROTECTING DOMESTIC MARKETS, AND FOR MAINTAINING HIGH LEVELS OF EMPLOYMENT IN THEIR OWN COUNTRIES. THESE DECISIONS, AND SUBSEQUENT ACTIONS, HAVE SERIOUSLY AFFECTED THE PERFORMANCE OF THE CANADIAN ECONOMY OVER THE PAST TEN YEARS.

AT A TIME WHEN MICROELECTRONICS IS EMERGING AS THE WORLD'S MAJOR INDUSTRY, BOTH IN TERMS OF SIZE AND GROWTH RATE, CANADA MUST NOT ONLY RETAIN A GROWING SHARE OF ITS OWN MARKETPLACE, BUT MUST ALSO GAIN AN APPROPRIATE SHARE OF THE GLOBAL MARKET. YET, DURING THE PERIOD FROM 1972 TO 1981, WHEN THE REST OF THE ECONOMY WAS GROWING, THE NUMBER OF JOBS IN CANADA'S ELECTRONICS INDUSTRY ACTUALLY DECLINED.

FURTHERMORE, OUR OVERALL COMPETITIVE POSITION IN MANY TRADITIONAL INDUSTRIES HAS ALSO DETERIORATED DRAMATICALLY.

THE DECISION BY THE JAPANESE AND OTHER COUNTRIES TO UTILIZE MICROELECTRONICS TO REJUNEVATE THEIR "MATURE" INDUSTRIES HAS GREATLY INCREASED THEIR PRODUCTIVITY IN RELATION TO CANADA AND THE U.S. AS A RESULT, OUR TWO NORTH AMERICAN COUNTRIES HAVE SEEN THOUSANDS OF BUSINESSES CLOSE DOWN IN MATURE INDUSTRIES, WITH THE LOSS OF HUNDREDS OF THOUSANDS OF JOBS.

A RECENT NEWSPAPER ARTICLE GRAPHICALLY DESCRIBED OUR SOARING TRADE DEFICIT IN HIGH TECH PRODUCTS, A DEFICIT WHICH ROSE 46 PER CENT TO \$1.77 BILLION IN 1981. AT THIS RATE OUR TRADE DEFICIT IN OFFICE COMMUNICATIONS EQUIPMENT ALONE WILL REACH \$5 BILLION BY 1985. AT THIS RATE, ALSO, 60,000 JOBS WILL BE LOST BETWEEN NOW AND 1985, SINCE IT IS ESTIMATED THAT "ONE JOB IS LOST IN CANADA EVERY TIME THE TRADE DEFICIT IN THIS SECTOR INCREASES BY \$50,000."

CLEARLY, IF WE DON'T ACT QUICKLY AND VIGOROUSLY, THE SLIDE WILL CONTINUE.

ON THE OTHER HAND, IN A RECENT REPORT THE SCIENCE COUNCIL OF CANADA DECLARED THAT "IF CANADIANS ARE WILLING TO MAKE THE POLITICAL AND FINANCIAL COMMITMENTS NEEDED TO MASTER THE NEW TECHNOLOGIES ... THEN WE WILL REAP THE BENEFITS OF NEW EMPLOYMENT OPPORTUNITIES, REVERSAL OF TRADE DEFICITS, AND STRENGTHENING OF OUR CULTURAL SECTOR TO ACHIEVE A NEW AND POWERFUL COMPETITIVE POSITION IN THE GLOBAL MARKETPLACE".

CANADA CANNOT AFFORD TO MISS THIS OPPORTUNITY. GOVERNMENT, BUSINESS AND LABOR MUST WORK TOWARDS EXPLOITING OUR INDIGENOUS HIGH TECHNOLOGY CAPABILITIES. WE MUST APPLY THE NEW TECHNOLOGIES TO MODERNIZE OUR EXISTING BUSINESS AND MANUFACTURING OPERATIONS AND TO CREATE NEW JOBS IN THE EMERGING INDUSTRIES.

AT THE SAME TIME, HOWEVER, GOVERNMENTS EVERYWHERE FACE THE SOCIAL REALITY OF A STRONG UNDERCURRENT OF DISTRUST OF TECHNOLOGY AMONG WORKING MEN AND WOMEN WHO ARE CONCERNED ABOUT THEIR ABILITY TO MAKE A LIVING IN A HIGH TECHNOLOGY WORLD.

AS PROFESSIONAL COMMUNICATORS, YOU WILL RECOGNIZE THE MAGNITUDE OF THE COMMUNICATIONS TASK THAT FACES ALL OF US IN EDUCATING CANADIANS TO OVERCOME THESE FEARS. IN THIS TIME OF UNPRECEDENTED ECONOMIC DIFFICULTY, HOW DO WE EXPLAIN TO PEOPLE WORKING IN FACTORIES THAT THE INTRODUCTION OF ROBOTS ON THE FACTORY FLOOR WILL BENEFIT THEIR FAMILIES IN THE LONG-RUN?

OR, HOW DO WE CONVINCE OFFICE WORKERS, USED TO THEIR TYPEWRITERS AND TELEPHONES AND TRIPLICATE FORMS, THAT THE MOVE TO THE ELECTRONIC, PAPERLESS OFFICE WILL INCREASE THEIR ECONOMIC SECURITY?

IN THE MOST GENERAL TERMS, HOW DO WE CONVINCE THOSE CANADIANS WHO ARE MOST AFRAID OF TECHNOLOGY OF THE NEED TO PUT THEIR FEARS ASIDE, TO EMBRACE THE NEW SYSTEMS AND TO LEARN THE NEW SKILLS THAT WILL BE REQUIRED BY THE NATION IN THE COMING DECADE?

THE ANSWER IS SIMPLE AND DIRECT: BY SHOWING THEM THE ALTERNATIVE. WITHOUT A DETERMINED EFFORT TO EXPLOIT NEW TECHNOLOGIES TO THEIR FULLEST, WE WILL SEE MORE LAYOFFS AS FACTORIES AND OFFICES CLOSE IN THE FACE OF INCREASINGLY STRONG COMPETITION FROM INDUSTRIES AND BUSINESSES IN OTHER COUNTRIES THAT HAVE LEARNED TO RIDE WITH THE TIDE OF CHANGE. EVEN IN THE RESOURCE AND AGRICULTURAL SECTORS, THE TRADITIONAL MAINSTAYS OF OUR NATION IN DIFFICULT ECONOMIC TIMES, WE FACE INCREASING COMPETITION FROM OTHER NATIONS, USING NEW TECHNOLOGIES AND BUSINESS PRACTICES THAT MAKE THEIR WORKERS MORE PRODUCTIVE AND THEIR PRODUCTS LESS EXPENSIVE.

FOR OUR PART, THE FEDERAL GOVERNMENT IS CONSCIOUS OF THE NECESSITY OF RESPONDING TO THIS CHALLENGE, TO SUPPORT THE DEVELOPMENT AND APPLICATION OF NEW TECHNOLOGY AND INNOVATION IN CANADIAN INDUSTRY.

AS YOU KNOW, MY OWN DEPARTMENT HAS BEEN AT THE LEADING EDGE OF MANY OF THE MOST IMPORTANT DEVELOPMENTS IN INFORMATION TECHNOLOGY IN CANADA IN RECENT YEARS. WORKING CLOSELY WITH THE PRIVATE SECTOR, WE ARE CONTRIBUTING TO BASIC RESEARCH AND DEVELOPMENT, THE TRANSFER OF TECHNOLOGY FROM GOVERNMENT LABS TO INDUSTRIAL ASSEMBLY LINES AND THE NATIONAL AND INTERNATIONAL MARKETING OF CANADIAN EQUIPMENT AND SERVICES. WE ARE PARTICIPATING WITH BUSINESS, EDUCATORS AND OTHER GOVERNMENTS IN CANADA AND ABROAD IN PIONEERING NEW TECHNOLOGY RELATED TO SATELLITES, TELECOMMUNICATIONS EQUIPMENT, FIBRE OPTICS, TELIDON, AND OFFICE OF THE FUTURE SYSTEMS.

THROUGH THESE ACTIVITIES, WE ARE HELPING CREATE WORLD-CLASS INDUSTRIES IN THESE AREAS. WE ARE ALSO INCREASING THE POOL OF HIGHLY-SKILLED WORKERS NEEDED TO BUILD THESE NEW SYSTEMS FOR DOMESTIC AND WORLD MARKETS. PERHAPS MORE IMPORTANT IN THESE INFORMATION-INTENSIVE INDUSTRIES, WE ARE HELPING CREATE THOUSANDS OF JOBS FOR CANADIANS.

OF COURSE, MY DEPARTMENT'S ACTIVITIES REPRESENT JUST PART OF THE GOVERNMENT OF CANADA'S OVERALL RESPONSE TO THE NEEDS OF THE INFORMATION SOCIETY.

FOR EXAMPLE, THE DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION SPENT A TOTAL OF \$124 MILLION IN THE LAST FISCAL YEAR UNDER THE ENTERPRISE DEVELOPMENT AND DEFENCE INDUSTRY PRODUCTIVITY PROGRAMS TO SUPPORT PRODUCT DEVELOPMENT ACTIVITIES IN HIGH TECHNOLOGY AND WILL SPEND MORE THAN \$85 MILLION OVER THE NEXT THREE YEARS TO ASSIST CANADIAN INDUSTRY IN USING NEW TECHNOLOGIES THROUGH THE SUPPORT FOR ENHANCED PRODUCTIVITY PROGRAM.

THE NATIONAL RESEARCH COUNCIL, WHICH HAS ASSISTED IN THE DEVELOPMENT OF WORLD-LEADING TECHNOLOGIES SUCH AS THE CANADARM USED ON THE SPACE SHUTTLE, CONTRIBUTED SOME \$30 MILLION LAST YEAR TO SMALLER CANADIAN HIGH TECHNOLOGY FIRMS, AS WELL AS \$16.2 MILLION TO ASSIST IN THE TRANSFER OF TECHNOLOGY FROM GOVERNMENT LABORATORIES TO THE PRIVATE SECTOR.

PERHAPS THE MOST IMPORTANT INITIATIVE OF OUR GOVERNMENT IN RESPONDING TO THE CHALLENGES OF TECHNOLOGY HAS BEEN THE INTRODUCTION OF THE NATIONAL TRAINING ACT BY MY COLLEAGUE, THE MINISTER OF EMPLOYMENT AND IMMIGRATION. UNDER THIS PROGRAM, WE HAVE COMMITTED ONE BILLION DOLLARS FOR PROGRAMS TO TRAIN AND RETRAIN WORKERS AND TO PROVIDE MOBILITY GRANTS TO HELP THE LABOUR FORCE ADAPT TO THE SHIFTING EMPLOYMENT PATTERNS BROUGHT ABOUT BY TECHNOLOGICAL CHANGE.

THESE PROGRAMS ARE IN PLACE NOW AND WORKING. BUT THIS IS ONLY A BEGINNING.

WE MUST INCREASE OUR RESEARCH AND DEVELOPMENT ACTIVITIES IN GOVERNMENT, INDUSTRY AND UNIVERSITY LABORATORIES. WE MUST DEVELOP POLICIES AND NATIONAL STANDARDS TO ENCOURAGE THE GROWTH OF CANADA'S INFORMATION TECHNOLOGY INDUSTRY, AND CREATE A REGULATORY ENVIRONMENT IN WHICH THE INDUSTRY CAN FLOURISH. WE MUST USE OUR CANADIAN TECHNOLOGY TO ITS FULL ADVANTAGE. WE MUST PROMOTE COMPUTER LITERACY AMONG THE PUBLIC.

THERE MUST BE GREATER EMPHASIS ON TRAINING AND EDUCATING CANADIANS TO WORK IN THESE NEW INDUSTRIES, AND GREATER USE OF CANADIAN-PRODUCED COURSEWARE FOR COMPUTER-AIDED LEARNING SYSTEMS IN CANADIAN SCHOOLS. OUR PROVINCIAL GOVERNMENTS, WHICH, UNDER OUR CONSTITUTION, HAVE RESPONSIBILITY FOR EDUCATION, MUST REALIZE THE FULL IMPORT OF THE INFORMATION SOCIETY AND MOVE FORWARD TO MEET IT CONSTRUCTIVELY.

INCREASED PUBLIC AWARENESS OF BOTH THE PROBLEMS AND THE OPPORTUNITIES ENTAILED BY THE TRANSITION TO AN INFORMATION SOCIETY IS ESSENTIAL IF WE ARE TO MASTER THE NEW TECHNOLOGIES.

IN YOUR ROLE AS COMMUNICATORS FOR MANY OF THE LEADING COMPANIES AND ORGANIZATIONS IN THE MONTREAL AREA, YOU CAN PLAY AN IMPORTANT PART IN RESPONDING TO THIS CHALLENGE. IN YOUR INFORMATION CAMPAIGNS, WHETHER THEY BE TARGETTED TOWARD THE GENERAL PUBLIC, IN-HOUSE STAFF, OR SPECIALIZED AUDIENCES, YOU MAY FIND OPPORTUNITIES TO PROMOTE THE IMPORTANCE OF THE NEW TECHNOLOGIES, TO POINT OUT CANADIAN ACHIEVEMENTS IN THIS AREA, AND TO DESCRIBE THE CHALLENGES AHEAD.

WE HAVE REACHED A TURNING POINT IN OUR HISTORY. NOW IS A TIME FOR REJUVENATION AND RENEWAL. AS WE BEGIN THE PROCESS OF REBUILDING, WE MUST TAKE THIS OPPORTUNITY TO ENSURE THAT WE LAY STRONG FOUNDATIONS FOR THE FUTURE. IN ALL SECTORS, MANUFACTURING, BUSINESS AND THE RESOURCE INDUSTRIES, WE MUST FOCUS ON THE NEW TECHNOLOGIES AND SKILLS THAT WILL ALLOW OUR NATION TO ESTABLISH ITSELF FIRMLY IN THE INTERNATIONAL MARKETPLACE FOR THE YEARS TO COME. PARAMOUNT AMONG THESE IS INFORMATION TECHNOLOGY. TODAY, MORE THAN EVER, OUR ABILITY TO ADAPT TO AND TO EXPLOIT THIS NEW TECHNOLOGY WILL DETERMINE NOT JUST OUR ECONOMIC WELL BEING AS INDIVIDUALS, BUT OUR SURVIVAL AS A NATION.

FOR HALF A CENTURY, THE U.S. AUTO INDUSTRY CORNERED THE WORLD CAR MARKET. THEN CAME JAPAN. FOR THE PAST DECADE OR SO THE JAPANESE ELECTRONICS AND HIGH TECH INDUSTRY HAS BEEN IMPOSING ITSELF ON THE WORLD TECHNOLOGICAL MARKET. WILL WE BE ABLE TO LOOK BACK 10 OR TWENTY YEARS FROM NOW AND SAY, "AND THEN CAME CANADA"?

I CERTAINLY HOPE SO.

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CHECK AGAINST DELIVERY

GATEWAYS AMONG NATIONS

NOTES FOR AN ADDRESS BY
THE HONOURABLE FRANCIS FOX
MINISTER OF COMMUNICATIONS
GOVERNMENT OF CANADA



TO THE INTERNATIONAL VIDEOCOMMUNICATION CONGRESS, VIDCOM '82

CANNES, FRANCE

SATURDAY, OCTOBER 16, 1982



Government of Canada
Department of Communications

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AS YOU CAN TELL BY THE NUMBER OF DELEGATES TO THIS CONFERENCE AND THE QUALITY OF THE EXHIBITS, THE INTERNATIONAL VIDEOTEX BUSINESS HAS CLEARLY GROWN INTO AN INDUSTRY IN ITS OWN RIGHT. THE VIDEOTEX COMMUNITY HAS PROGRESSED BEYOND FIELD TRIALS AND EXPERIMENTS AND MOVED INTO THE OPERATION OF FUNCTIONAL COMMERCIAL AND INSTITUTIONAL SERVICES.

IT HAS BEEN ESTIMATED THAT THERE ARE NOW MORE THAN 125,000 PEOPLE USING VIDEOTEX IN ONE FORM OR ANOTHER IN EIGHTEEN COUNTRIES AND NEARLY A MILLION TELETEXT VIEWERS. TELETEXT HAS TAKEN A FIRM HOLD IN THE EUROPEAN MARKET, AND WE EXPECT THAT THE TELETEXT SERVICES TO BE INTRODUCED DURING THE COMING YEAR BY THE CANADIAN BROADCASTING CORPORATION AND MAJOR U.S. NETWORKS WILL PROVE EQUALLY APPEALING TO THE PUBLIC IN NORTH AMERICA. OVER THE PAST TWO YEARS, WE HAVE ALSO WITNESSED THE ENTRY INTO THIS MARKET OF MOST OF THE WORLD'S LARGEST COMPUTER, TELEVISION AND TELECOMMUNICATIONS EQUIPMENT COMPANIES. EVEN IN TODAY'S UNCERTAIN ECONOMIC CLIMATE, IT IS EVIDENT THAT THE INDUSTRY IS POISED FOR RAPID GROWTH, PARTICULARLY IN THE BUSINESS AND INSTITUTIONAL SECTORS.

AS THE MANY VETERANS OF THE INDUSTRY HERE TODAY CAN ATTEST, THE VIDEOTEX COMMUNITY HAS GREATLY MATURED SINCE THE EARLY DAYS WHEN IT WAS INHABITED MAINLY BY RESEARCHERS, SOCIAL SCIENTISTS, COMPUTER HOBBYESTS AND COMMUNICATIONS PHILOSOPHERS -- NOT TO MENTION THE MANY BUSINESS MANAGERS WHO CRINGED AT EACH DOLLAR SPENT ON RESEARCH AND FIELD TRIALS. IT WAS NOT THAT LONG AGO THAT VIDEOTEX CONFERENCES WERE TYPIFIED BY UNCOMFORTABLY LONG TECHNICAL DISSERTATIONS, ROMANTIC FORECASTS OF THE BENEFITS OF AN INSTANTLY WIRED WORLD, AND ECONOMIC PROJECTIONS THAT COULD BE DESCRIBED MOST CHARITABLY AS CREATIVE.

TODAY THE FOCUS HAS CHANGED. HERE AT VIDCOM '82 ARE MEN AND WOMEN REPRESENTING HUNDREDS OF ORGANIZATIONS WITH PRACTICAL EXPERIENCE IN THE VIDEOTEX INDUSTRY. THERE ARE ALSO MANY HERE TODAY FROM OTHER VIDEO INDUSTRIES WHO ARE POTENTIAL USERS OF THE TECHNOLOGY, LOOKING FOR HARD INFORMATION ABOUT HOW TO EMPLOY THE UNIQUE CAPABILITIES OF VIDEOTEX. I BELIEVE THE INDUSTRY AS A WHOLE HAS COME TO APPRECIATE THAT WHILE INFORMATION TECHNOLOGY IS EVOLVING AT BREAKNECK SPEED, ACTUAL USE OF THE TECHNOLOGY IS A SLOWER PROCESS REQUIRING CAREFUL PLANNING AND STEP-BY-STEP DEVELOPMENT.

IN CANADA, WE HAVE RECOGNIZED THE EVOLUTIONARY NATURE OF VIDEOTEX DEVELOPMENT AND HAVE FOLLOWED THIS STEP-BY-STEP APPROACH IN EXPLORING A WIDE RANGE OF APPLICATIONS OF OUR TELIDON TECHNOLOGY. BY DEFINING OUR NATIONAL GOALS AND OBJECTIVES AND WORKING WITH BUSINESS AND MANY OTHER SECTORS OF SOCIETY, WE ARE BUILDING A NEW INDUSTRY THAT IS EXPORTING ITS PRODUCTS AND EXPERTISE TO OTHER COUNTRIES AND PROVIDING MANY NEW AND USEFUL SERVICES TO CANADIANS.

TODAY, I WOULD LIKE TO DESCRIBE SOME OF THE PRACTICAL APPLICATIONS WE HAVE DEVELOPED FOR TELIDON. I WOULD ALSO LIKE TO SHARE WITH YOU SOME ASPECTS OF THE CANADIAN VIEW OF THE FUTURE PLACE OF VIDEOTEX IN THE WORLD, AND TO PROPOSE NEW ROUTES FOR THE INTERNATIONAL DEVELOPMENT OF THE INDUSTRY.

THE CANADIAN EXPERIENCE

IN THE MID-SEVENTIES, THE GRAPHICS LANGUAGE THAT WAS TO BECOME TELIDON WAS DEVELOPED BY THE COMMUNICATIONS RESEARCH CENTRE OF THE DEPARTMENT OF COMMUNICATIONS. IN THE YEARS SINCE, THE GOVERNMENT OF CANADA HAS PLAYED A CENTRAL ROLE IN TRANSFERRING THIS TECHNOLOGY TO THE PRIVATE SECTOR AND PROMOTING THE GROWTH OF A STRONG DOMESTIC VIDEOTEX INDUSTRY.

OUR ROLE BEGAN WHEN THE OUR RESEARCH ENGINEERS CONVINCED US THAT THEIR ALPHAGEOMETRIC APPROACH TO GRAPHICS HAD INHERENT ADVANTAGES OVER EARLIER VIDEOTEX SYSTEMS. THESE INCLUDED ITS ABILITY TO BE USED WITH ANY CURRENT OR FORESEEN TYPE OF TELEVISION OR DISPLAY SYSTEM, A GREATER EFFICIENCY IN TRANSMISSION AND STORAGE OF GRAPHICS INFORMATION, EXTREMELY HIGH QUALITY IMAGES, SIMPLE PICTURE CREATION TECHNIQUES AND THE POTENTIAL FOR UNLIMITED GROWTH. THE RESEARCH TEAM ACCURATELY PREDICTED THAT THE STEADY DECLINE IN THE COST OF COMPUTER EQUIPMENT WOULD CONTRIBUTE TO A LARGE DEMAND FOR HOME AND OFFICE TERMINALS WITH HIGHER-QUALITY GRAPHICS AND MANY MORE FUNCTIONS THAN HAD BEEN EMPLOYED IN THE EARLY VIDEOTEX SYSTEMS.

AS A RESULT, THE GOVERNMENT OF CANADA EMBARKED IN 1979 ON A PROGRAM TO INFORM POTENTIAL USERS OF VIDEOTEX TECHNOLOGY IN CANADA AND ABROAD OF THE SUPERIOR CAPABILITIES OF TELIDON.

BY DEMONSTRATING THE TECHNOLOGY TO PRIVATE INDUSTRY AND BY PRESENTING OUR CASE AT INTERNATIONAL STANDARDS BODIES, WE SUCCEEDED IN HAVING TELIDON ACCEPTED AS THE VIDEOTEX STANDARD IN CANADA AND, IN 1980, A PART OF THE ACCEPTED WORLD STANDARD OF THE CCITT. CANADIAN INDUSTRY ALSO PROMOTED THE TELIDON STANDARD, LEADING TO THE ANNOUNCEMENT IN JUNE THIS YEAR THAT TECHNICAL COMMITTEES OF THE AMERICAN NATIONAL STANDARDS INSTITUTE AND THE CANADIAN STANDARDS ASSOCIATION HAD AGREED ON A COMMON STANDARD FOR VIDEOTEX. THIS, OF COURSE, IS THE NORTH AMERICAN VIDEOTEX-TELETEXT PRESENTATION-LEVEL PROTOCOL SYNTAX, WHICH IS BASED LARGELY ON THE TELIDON CODING SCHEME.

AS A RESULT OF OUR FAITH IN TELIDON, CANADIAN COMPANIES ARE THE FIRST ON THE NORTH AMERICAN MARKET WITH A WIDE RANGE OF PRODUCTS AND SERVICES COMPLYING WITH THE NEW NORTH AMERICAN STANDARD.

AT THE SAME TIME THAT WE WERE SUPPORTING TELIDON IN THE STANDARDS ARENA, THE GOVERNMENT OF CANADA TOOK A NUMBER OF INITIATIVES TO ENSURE THAT CANADIANS COULD LEARN ABOUT THE POTENTIAL USES OF VIDEOTEX TECHNOLOGY. OUR GOAL HAS BEEN TO ENCOURAGE ALL SECTORS OF SOCIETY TO BECOME INVOLVED IN THE DEVELOPMENT OF TELIDON SERVICES SO THAT THE BENEFITS OF THE NEW TECHNOLOGY WILL BE SHARED EQUITABLY.

ONE RESULT OF THIS APPROACH WAS THE CREATION OF OUR TELIDON PUBLIC INITIATIVES PROGRAM WHICH IS HELPING A DOZEN ORGANIZATIONS ACROSS CANADA TO DEVELOP TELIDON DATA BASES OF INTEREST TO WOMEN, NATIVE GROUPS, CONSUMERS, THE DISABLED, AND IMMIGRANT GROUPS.

OUR GOVERNMENT IS ALSO WORKING DIRECTLY WITH CANADIAN BUSINESS, WITH OTHER LEVELS OF GOVERNMENT, WITH NON-PROFIT GROUPS AND WITH ACADEMIC INSTITUTIONS IN MORE THAN 60 TELIDON PROJECTS THAT BY NEXT YEAR WILL SERVE CANADIANS IN ALL PARTS OF THE COUNTRY. MANY OF THESE SERVICES HAVE ALREADY DEMONSTRATED THE UTILITY OF TELIDON FOR BOTH COMMERCIAL AND INSTITUTIONAL INFORMATION PROGRAMS.

AMONG THE MOST SUCCESSFUL OF THESE HAS BEEN THE COMMERCIAL GRASSROOTS SERVICE OPERATED BY THE MANITOBA TELEPHONE SYSTEM OF WINNIPEG AND INFOMART OF TORONTO. THIS SERVICE IS SUPPORTED BY ADVERTISERS AND PROVIDES NEWS, STOCK REPORTS, INFORMATION ABOUT ENTERTAINMENT AND COMMUNITY EVENTS AS WELL AS DETAILED WEATHER MAPS AND AGRICULTURAL INFORMATION OF SPECIAL INTEREST TO FARMERS THROUGHOUT MANITOBA. IT FEATURES A NUMBER OF INTERACTIVE FUNCTIONS, INCLUDING GAMES, TELESHOPPING AND PROGRAMS THAT ALLOW FARMERS TO CALCULATE INTEREST RATES OR THE AMOUNT OF FERTILIZER REQUIRED FOR A GIVEN FIELD. THERE ARE NOW SOME 700 SUBSCRIBERS, AND AN AVERAGE OF 14,500 PAGES ACCESSED EACH DAY.

INFOMART ALSO WORKED WITH MY DEPARTMENT IN THE DEVELOPMENT OF THE CANADIAN RECORD CATALOGUE DATA BASE, WHICH WAS LAUNCHED OFFICIALLY HERE IN CANNES DURING MY VISIT TO THE MIDEM CONFERENCE IN JANUARY. THIS SERVICE ALLOWS RECORD BUYERS, RADIO PROGRAM MANAGERS AND RETAIL MANAGERS TO USE KEY WORDS TO FIND INFORMATION ABOUT ANY CANADIAN SONG TITLE, RECORD ALBUM OR RECORDING ARTIST. TELIDON'S SUPERB GRAPHICS ALSO ALLOW THE USER TO SEE THE RECORD ALBUM COVER, AN IMPORTANT FEATURE FOR FUTURE POINT-OF-SALE APPLICATIONS OF THE SYSTEM.

THROUGH THIS PROJECT, WE HAVE PROVIDED SUPPORT BOTH TO A NEW TECHNOLOGY AND TO AN IMPORTANT CULTURAL INDUSTRY. THE LONG-TERM PROSPECTS ARE QUITE INTRIGUING. IT IS ENTIRELY POSSIBLE THAT IN THE FUTURE, USERS OF THE SERVICE WILL BE ABLE TO HEAR THE MUSIC AS WELL AS SEEING THE ALBUM COVER. JUST LAST JUNE, ENGINEERS FROM MY DEPARTMENT GAVE THE FIRST PUBLIC DEMONSTRATION OF TALKING TELIDON, USING COMMERCIALY AVAILABLE VOICE SYNTHESIZERS TO ADD WORDS AND MUSIC TO A SERIES OF ANIMATED TELIDON PAGES. ALTHOUGH STILL IN PRELIMINARY STAGES, THIS RESEARCH HAS STIRRED A GREAT DEAL OF INTEREST, AS THE ABSENCE OF SOUND IS OFTEN CITED BY THE PUBLIC AS A MAJOR SHORTCOMING OF VIDEOTEX.

WE ARE NOW WORKING TO DEVELOP A FORM OF ELECTRONIC JUKE-BOX SERVICE, COMBINING THE CANADIAN RECORD CATALOGUE SYSTEM WITH DIGITALLY RECORDED MUSIC TO BE TRANSMITTED DIRECTLY TO AN INDIVIDUAL'S HOME. IN A SIMILAR VEIN, WE BELIEVE TELIDON-BASED DIRECTORIES COULD PLAY AN INTEGRAL PART IN THE DELIVERY OF FILMS AND TELEVISION PRODUCTIONS OVER CABLE PAY-TV AND PAY-PER-VIEW SYSTEMS.

WE IN GOVERNMENT ARE ALSO USING TELIDON FOR MANY OF OUR OWN INFORMATION PROGRAMS. A NUMBER OF DEPARTMENTS USE TELIDON AUDIO-VISUAL SYSTEMS FOR BRIEFINGS AND PUBLIC DISPLAYS, AND THE DEPARTMENT OF ENERGY, MINES AND RESOURCES IS DEVELOPING AN INTERACTIVE TELIDON SYSTEM LINKED TO A VIDEODISC PLAYER TO INFORM THE PUBLIC ABOUT THE CANADIAN HOME INSULATION PROGRAM.

MANY OF OUR EMBASSIES AND TRADE CONSULATES ARE ALSO EQUIPPED WITH TERMINALS THAT PROVIDE ACCESS TO CANADIAN NEWS AND INTERNATIONAL INFORMATION THROUGH THE NOVATEX DATA BASE OPERATED BY TELEGLOBE CANADA.

THE FEDERAL GOVERNMENT ALSO OPERATES ITS OWN NATIONAL DATA BASE, KNOWN AS CANTEL. FOR THIS SERVICE WE HAVE CREATED MORE THAN 45,000 PAGES OF INFORMATION ABOUT GOVERNMENT PROGRAMS AND SERVICES. THE PUBLIC HAS FREE ACCESS TO THIS DATA BASE FROM SOME 100 TERMINALS LOCATED IN PUBLIC LOCATIONS AND IN GOVERNMENT BUILDINGS ACROSS THE COUNTRY.

CANTEL EXPLAINS OUR PROGRAMS, PROVIDES CONTACT PHONE NUMBERS AND ADDRESSES, AND ALLOWS USERS TO PLACE ORDERS FOR FURTHER INFORMATION TO BE MAILED DIRECTLY TO THEIR HOMES. TELIDON'S GRAPHICS CAPABILITIES ARE EXTREMELY IMPORTANT IN THIS SERVICE FOR ORGANIZATIONS SUCH AS OUR FEDERAL OFFICE OF TOURISM, WHICH USES CANTEL TO PROVIDE MAPS, ILLUSTRATIONS AND SIMILAR MATERIAL RELATING TO PLACES AND EVENTS OF INTEREST TO TOURISTS.

PERHAPS THE MOST EXCITING ADVANCE IN THE CANTEL DATA BASE HAS BEEN THE ADDITION OF THE NATIONAL JOB BANK. THIS ALLOWS THE PUBLIC TO FIND INFORMATION ABOUT JOB OPENINGS ACROSS THE COUNTRY AND ASSISTS JOB-SEEKERS IN THE APPLICATION AND RELOCATION PROCESSES. WHILE TRADITIONAL COMPUTERIZED EMPLOYMENT SERVICES REQUIRE THE PRESENCE OF A HUMAN OPERATOR, CANTEL ALLOWS MEMBERS OF THE PUBLIC TO BROWSE THROUGH THE LISTINGS AT THEIR OWN SPEED.

MANY PROVINCIAL AND MUNICIPAL GOVERNMENT ORGANIZATIONS ARE ALSO EXPLORING NEW WAYS TO USE TELIDON TO SERVE THE PUBLIC. THE MOST AMBITIOUS OF THESE IS THE ONTARIO GOVERNMENT'S TELEGUIDE. WITHIN THE NEXT FEW MONTHS, THIS SERVICE WILL HAVE SOME 2,000 TERMINALS PLACED IN PUBLIC LOCATIONS ACROSS THE CITY OF TORONTO. FROM TERMINALS IN HOTEL LOBBIES, SHOPPING MALLS, AIRPORTS, BUS AND TRAIN STATIONS AND OTHER POPULAR TOURIST LOCATIONS, THE PUBLIC WILL HAVE FREE ACCESS TO ADVERTISER-SUPPORTED INFORMATION ABOUT ENTERTAINMENT, RESTAURANTS, TRANSPORTATION SCHEDULES, AND TOURIST ATTRACTIONS THROUGHOUT THE PROVINCE. THE SERVICE WAS FORMALLY INAUGURATED JUST LAST MONTH WITH THE FIRST ONE HUNDRED TERMINALS IN OPERATION. IT IS ALREADY RECORDING MORE THAN 80,000 PAGE ACCESSES PER DAY.

IN PARALLEL WITH OUR DATA-BASE DEVELOPMENT ACTIVITIES ACROSS CANADA, WE ARE ALSO BUILDING THE ELECTRONIC HIGHWAYS THAT WILL CARRY ALL THESE DIFFERENT TYPES OF INFORMATION. MY DEPARTMENT IS PROVIDING SUPPORT FOR THE FIELD TESTING OF AN OPTICAL-FIBRE NETWORK IN A RURAL COMMUNITY IN MANITOBA AND IN SASKATCHEWAN, THE WORLD'S LONGEST FIBRE OPTIC CABLE IS BEING INSTALLED. WE HAVE ALSO FUNDED DEVELOPMENT AND TESTING OF A HIGHLY SOPHISTICATED COAXIAL-CABLE INTERFACE DEVICE DEVELOPED BY THE VIDEOTRON GROUP OF MONTREAL.

CANADA'S NATIONAL AND REGIONAL TELECOMMUNICATIONS CARRIERS ARE CONTINUALLY UPGRADING THEIR DATA NETWORKS AND DEVELOPING COMPUTER-ASSISTED DIRECTORY AND GATEWAY SERVICES SUCH AS I-NET, THE INTELLIGENT NETWORK OPERATED BY THE COMPUTER COMMUNICATIONS GROUP OF THE TRANS-CANADA TELEPHONE SYSTEM. THIS SERVICE, NOW IN THE FIELD TRIAL STAGE WITH 400 TERMINALS, PROVIDES USERS OF TELIDON AND STANDARD BUSINESS TERMINALS AND TELIDON-COMPATIBLE DISPLAY PHONES WITH A CENTRAL ACCESS POINT AND DIRECTORY TO A WIDE RANGE OF GOVERNMENT, BUSINESS, AND BIBLIOGRAPHIC DATA BASES. IT IS ANTICIPATED THAT THIS TYPE OF SERVICE WILL MAKE TELIDON TERMINALS AS EASY TO USE AS THE TELEPHONE AND WILL GREATLY INCREASE THE APPEAL OF VIDEOTEX TO THE PUBLIC.

THE GLOBAL IMPLICATIONS OF VIDEOTEX

AS YOU CAN SEE, WE IN CANADA HAVE PROVEN THE VALUE OF VIDEOTEX IN PROVIDING INFORMATION AND SERVICES TO THE PUBLIC. AS IN MOST NATIONS, HOWEVER, MUCH OF OUR EXPERIENCE TO DATE HAS BEEN BASED ON A TRANSFORMATION OF TRADITIONAL INFORMATION SERVICES INTO VIDEOTEX SOFTWARE. WE ARE ALL STILL GROPING TO UNDERSTAND THE REAL IMPLICATIONS OF THE NEW MEDIUM IN TERMS OF ITS EFFECT UPON COMMUNICATIONS PATTERNS AND SOCIAL INTERACTION.

AS MARSHALL MACLUHAN OBSERVED, MEDIA ARE THE EXTENSIONS OF MAN. WHETHER IT BE A PRINTING PRESS, A LIGHT BULB, OR A TELEVISION SET, EACH NEW MEDIUM SHAPES BOTH THE MESSAGE AND ITS RECIPIENTS, AND CAN CAUSE DRAMATIC CHANGES IN SOCIETY.

IN THIS CONTEXT, WE MUST ASK WHAT ARE THE SOCIAL CONSEQUENCES OF VIDEOTEX? CAN WE ANTICIPATE ITS POSITIVE AND NEGATIVE EFFECTS AND CHANNEL ITS DEVELOPMENT TO FAVOR THE POSITIVE?

TECHNOLOGY IS NOT AN EASILY MANAGEABLE COMMODITY. INDEED, WE IN CANADA HAVE DETERMINED THAT THE BEST CONTRIBUTION GOVERNMENT CAN MAKE IS TO CREATE AN ENVIRONMENT IN WHICH NEW TECHNOLOGIES CAN FLOURISH, AND TO WORK WITH ALL SECTORS OF SOCIETY TO DEVELOP POLICIES TO GUIDE THE DEVELOPMENT OF NEW PRODUCTS AND SERVICES IN SOCIALLY USEFUL DIRECTIONS. THE FORCES OF THE MARKETPLACE WILL NATURALLY TEND TO FAVOR THE DEVELOPMENT OF APPLICATIONS THAT MEET THE DEMANDS OF SOCIETY AT LARGE. GOVERNMENT, HOWEVER, HAS A ROLE TO PLAY IN PILOTING THE TECHNOLOGY IN DIRECTIONS THAT WILL SERVE OTHER SOCIAL AIMS.

OF PARTICULAR INTEREST TO ME IN THIS REGARD ARE THE IMPLICATIONS OF VIDEOTEX IN A GLOBAL COMMUNITY WHERE MORE THAN ONE BILLION PEOPLE CAN NEITHER READ NOR WRITE. ARE THESE BILLION SOULS TO BE FURTHER ISOLATED FROM THE POWER STRUCTURES OF THE INFORMATION SOCIETY? OR CAN VIDEOTEX OFFER THEM A NEW GATEWAY TO LITERACY? CAN DATA BASES BE DEVELOPED, USING GRAPHICS AND SYMBOLS AND SOUND, TO SERVE THE NEEDS OF THE ILLITERATE, AND TO PROVIDE THEM WITH A NEW WAY OF LEARNING?

THIS CHALLENGE IS BY NO MEANS CONFINED TO WHAT ARE KNOWN TRADITIONALLY AS THE UNDER-DEVELOPED COUNTRIES. EVEN THE RICHEST NATIONS TODAY ARE UNDER-DEVELOPED IN THIS REGARD. IN CANADA ALONE IT HAS BEEN ESTIMATED THAT THERE ARE SOME FIVE MILLION CITIZENS WHO CANNOT READ OR WRITE TO THE LEVEL EXPECTED OF AN EIGHTH-GRADE STUDENT. THESE MEN AND WOMEN ARE AT RISK IN THE INFORMATION AGE. THEY AND THEIR FAMILIES ARE IN JEOPARDY WHENEVER THEY ARE ASKED TO SIGN A CONTRACT, TO FOLLOW THE DIRECTIONS ON A BOTTLE OF MEDICINE OR TO APPLY FOR EMPLOYMENT. WHAT CAN VIDEOTEX DO FOR THEM?

IN CANADA, WE HAVE BEGUN TO EXPLORE THE EDUCATIONAL APPLICATIONS OF VIDEOTEX AND MICRO-COMPUTERS USING THE NATAL AND CAN-8 COMPUTER-AIDED LEARNING LANGUAGES. CANADIAN COMPANIES HAVE ALSO DEVELOPED EXCITING APPLICATIONS OF THE LOGO LANGUAGE FOR SMALL COMPUTERS. BUT THE CHALLENGE FACING US IS TRULY GLOBAL IN NATURE. THEREFORE, WE ARE EXTREMELY INTERESTED IN THE WORK UNDERWAY HERE IN FRANCE AT THE INTERNATIONAL CENTRE FOR COMPUTER LEARNING ESTABLISHED LAST YEAR BY PRESIDENT MITTERAND AND SUPPORTED BY THE GROUP OF PARIS.

WE SHARE THE VISION OF THE ORGANIZERS OF THE CENTRE -- THE DEVELOPMENT OF LOW-COST, EASY-TO-OPERATE COMPUTERS AND INFORMATION SYSTEMS THAT COULD BE USED BY YOUNG AND OLD IN ANY COUNTRY, IN ANY LANGUAGE. I LOOK FORWARD TO VISITING THE CENTRE DURING MY VISIT TO FRANCE, AND I HOPE TO FIND WAYS IN WHICH CANADA CAN CONTRIBUTE.

DETENTE IN THE STANDARDS ARENA

BEFORE SUCH A VISION OF A GLOBAL INFORMATION NETWORK FOR EDUCATION -- OR, FOR THAT MATTER, FOR BUSINESS, OR TOURISM OR ANY OTHER PURPOSE -- CAN BE REALIZED, WE MUST TAKE STEPS TO OVERCOME CERTAIN OBSTACLES TO THE INTERNATIONAL TRAFFIC OF INFORMATION. ONE OF THE MOST IMPORTANT OF THESE IS THE QUESTION OF STANDARDS, A SUBJECT THAT IN RECENT YEARS HAS GENERATED AN UNFORTUNATE AMOUNT OF FRICTION WITHIN THE VIDEOTEX COMMUNITY.

I BELIEVE THE TIME HAS COME FOR US TO PUT THE OLD DISAGREEMENTS BEHIND US, TO COMBINE OUR STRENGTHS AND TO WORK TOGETHER TO CREATE UNIVERSAL VIDEOTEX SUPER-STANDARDS THAT WOULD MEET ALL OUR NEEDS. I AM PROPOSING A FORM OF INTERNATIONAL TELE-MATRIMONY, AN OPEN-SYSTEMS MARRIAGE OF VIDEOTEX NETWORKS BUILT TO DIFFERENT STANDARDS THAT WOULD ALLOW THE CONTENTS OF VIDEOTEX DATA BASES IN EACH NATION TO BE SHARED BY USERS IN OTHER NATIONS.

WE IN CANADA RECOGNIZE THAT THIS WILL REQUIRE A LENGTHY AND ARDUOUS COURTSHIP. AT PRESENT, AS YOU ARE AWARE, THE WORLD SEEMS DIVIDED INTO THE EUROPEAN AND NORTH AMERICAN CAMPS. BUT THESE CAMPS ARE THEMSELVES THE RESULT OF SUCCESSFUL COMPROMISE AMONG NATIONS WITH DIFFERING PRIORITIES AND INTERESTS. HERE IN EUROPE, THE EUROPEAN CONFERENCE OF POST AND TELECOMMUNICATIONS ADMINISTRATIONS (CEPT) STANDARD HAS BEEN DEVISED AS A SUPER-SET OF THE BRITISH PRESTEL AND FRENCH ANTIOPE STANDARDS TO BRING TECHNICAL COMPATIBILITY TO THE VIDEOTEX SYSTEMS IN EUROPE.

SIMILARLY, THE NORTH AMERICAN VIDEOTEX/TELETEXT PRESENTATION-LEVEL PROTOCOL SYNTAX HAS BEEN ARRIVED AT AFTER LENGTHY TECHNICAL DEBATE AND NEGOTIATION AMONG VIDEOTEX EXPERTS IN CANADA AND THE UNITED STATES.

JUST AS THE CEPT STANDARD WAS ARRIVED AT BASED UPON THE PRINCIPLE OF THE CO-EXISTENCE AND PRESERVATION OF ALL THE INDIVIDUAL FEATURES OF THE ORIGINAL PRESTEL AND ANTIOPE SYSTEMS, SO A JUST AND ACCEPTABLE WORLD SUPER-STANDARD CAN BE ACHIEVED THROUGH THE MARRIAGE OF THE CEPT AND NORTH AMERICAN STANDARDS, BASED UPON THE SAME PRINCIPLE. SUCH A MARRIAGE IS NOT VERY DIFFICULT TECHNICALLY. INDEED, BOTH THE CANADIAN AND UNITED STATES DELEGATIONS TO THE MEETING OF THE CCITT IN GENEVA NEXT MONTH WILL PRESENT PROPOSALS ALONG THESE LINES.

IN BOTH EUROPE AND NORTH AMERICA, THE PROCESS OF CONSULTATION AND NEGOTIATION HAS LED TO STANDARDS WITH ENHANCED CAPABILITIES THAT WILL IMPROVE THE QUALITY OF VIDEOTEX SERVICES ON BOTH SIDES OF THE ATLANTIC. OUR GOAL NOW MUST BE TO EXTEND THESE NEGOTIATIONS TO DEFINE A SORT OF WORLD STANDARD WHICH, WITHOUT INFRINGING UPON THE INTEGRITY OF EITHER THE NORTH AMERICAN OR CEPT STANDARDS, WILL PERMIT TERMINALS BUILT TO EITHER STANDARD TO ACCESS THE OTHER'S DATA BASES.

- 10 -

AS I SAID IN MY INTRODUCTORY REMARKS, THE INTERNATIONAL VIDEOTEX INDUSTRY HAS COME OF AGE IN THE PAST FEW YEARS. THE UNCERTAINTIES OF OUR TECHNICAL ADOLESCENCE ARE BEHIND US. NOW IS THE TIME FOR US TO FORM A MATURE PARTNERSHIP OF EQUALS, IN ORDER THAT WE MAY CONCENTRATE ON THE CHALLENGES OF SPREADING THE BENEFITS OF VIDEOTEX AROUND THE WORLD.

THANK YOU

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CHECK AGAINST DELIVERY

BROADCASTING - A NEW ERA

NOTES FOR AN ADDRESS

BY THE HONOURABLE FRANCIS FOX

MINISTER OF COMMUNICATIONS

TO THE CANADIAN ASSOCIATION OF BROADCASTERS

SHERATON CENTRE

TORONTO, ONTARIO

NOVEMBER 15, 1982



Government of Canada
Department of Communications

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FOR THE LAST FEW YEARS ALL OF US IN COMMUNICATIONS - YOU IN THE INDUSTRY NO LESS THAN THOSE OF US IN GOVERNMENT - HAVE BEEN EXPLORING THE NEW ENVIRONMENT THAT IS SURROUNDING - THAT HAS SURROUNDED - OUR INDUSTRY.

OTHERS HAVE ALSO BEEN EXAMINING THIS NEW ENVIRONMENT, AMONG THEM THE FEDERAL CULTURAL POLICY REVIEW COMMITTEE, AND WE HAVE BEEN WAITING EAGERLY FOR THE COMMITTEE'S VIEWS AND OPINIONS ABOUT OUR RAPIDLY EVOLVING BROADCASTING SITUATION. OUR WAIT FOR THEIR REPORT IS OVER. IT WILL BE UNVEILED IN FULL TOMORROW.

I WOULD LIKE TO SHARE WITH YOU, TODAY, SOME OF MY THINKING ABOUT THE FUTURE OF OUR CANADIAN BROADCASTING SYSTEM.

I FEEL STRONGLY THAT BROADCASTING HAS PLAYED AN ESSENTIAL ROLE IN THE DEVELOPMENT OF OUR COUNTRY. IT IS THROUGH BROADCASTING THAT A TRUE SENSE OF COMMUNITY HAS BEEN DEVELOPED, A SENSE THAT THERE ARE NO BARRIERS IN THE COUNTRY AND THAT A CANADIAN CAN BE AT HOME ANYWHERE. A CENTURY AGO THE TRANSCONTINENTAL RAILROAD TIED US TOGETHER; TODAY IT IS OUR BROADCASTING SYSTEM THAT REALLY BRINGS US TOGETHER. I FEEL JUST AS STRONGLY THAT BROADCASTING WILL CONTINUE TO BE EQUALLY IMPORTANT TO THE LIFE OF THIS NATION.

IN ECONOMIC TERMS, TOO, THE CANADIAN BROADCASTING SYSTEM, TAKEN AS A WHOLE, IS A REMARKABLE SUCCESS STORY. AS OF MARCH 31, 1981, THE INDUSTRY, EFFECTIVELY OWNED AND CONTROLLED BY CANADIANS, COMPRISED 1,212 UNDERTAKINGS, EMPLOYING MORE THAN 30,000 FULL TIME AND HUNDREDS OF FREELANCE ARTISTS AND TECHNICIANS. THE GROSS ANNUAL REVENUE OF THE INDUSTRY WAS SOME \$2 BILLION IN 1980.

IN TERMS OF TECHNOLOGY, IT IS ALSO A SUCCESS STORY. THERE IS NO DOUBT IN MY MIND THAT OUR BROADCASTING SYSTEM IS TECHNOLOGICALLY ONE OF THE BEST IN THE WORLD -- IN SOME RESPECTS THE BEST. YOU, AS BROADCASTERS, HAVE OVERCOME THE DIFFICULTIES OF DISTANCE, SPARSE POPULATION AND PROXIMITY TO THE WORLD'S NUMBER-ONE BROADCASTER TO ESTABLISH A SYSTEM REACHING NEARLY EVERY CANADIAN IN THE MOST REMOTE CORNERS OF THE COUNTRY.

WE EMPLOY ONE OF THE WORLD'S MOST ADVANCED SYSTEMS OF DOMESTIC COMMUNICATIONS SATELLITES TO DISTRIBUTE OUR RADIO AND TELEVISION PROGRAMMING. WE ALL HAVE, OVER THE YEARS, DEVOTED A GREAT DEAL OF ATTENTION AND RESOURCES TO CREATING THIS IMPRESSIVE INFRASTRUCTURE. AND WE HAVE DONE SO BECAUSE OF THE IMPORTANCE OF COMMUNICATIONS IN KEEPING A COUNTRY THE SIZE OF CANADA LINKED TOGETHER.

THAT IS WHY WE HAVE SPENT SO MUCH TIME, ENERGY AND EFFORT IN PREPARING OUR NEW BROADCASTING STRATEGY. AND THAT IS WHY WE CONSULTED BROADLY AND WILL CONTINUE TO DO SO. WE HAVE MET WITH - AMONG MANY OTHERS - REPRESENTATIVES OF THE CAB, AS WELL AS REPRESENTATIVES OF THE CCTA, THE CANADIAN FILM AND TELEVISION ASSOCIATION, THE CANADIAN ASSOCIATION OF MOTION PICTURE PRODUCERS, L'ASSOCIATION CANADIENNE DE LA RADIO ET DE LA TÉLÉVISION FRANÇAISE, THE CANADIAN CONFERENCE OF THE ARTS, ACTRA... YOU HAVE HELPED DEFINE THE PROBLEMS. YOU ARE CONTRIBUTING TOWARDS THEIR SOLUTION.

TODAY, HOWEVER, THE CANADIAN BROADCASTING SYSTEM IS FACING THE GREATEST CHALLENGES IN ITS HISTORY -- IN BOTH TECHNOLOGY AND CONTENT.

WE FIND OURSELVES TODAY IN A NEW ENVIRONMENT. SOME PEOPLE MAY HAVE THE ATTITUDE THAT THIS NEW ENVIRONMENT IS FOR SOME DISTANT FUTURE DATE. THERE HAVE BEEN DISCUSSIONS AS TO WHETHER IT IS BENEFICIAL, OR EVEN DESIRABLE. IN THE MEANTIME, IT IS HAPPENING. IT IS, INDEED, AN IMMINENT FACT OF OUR PRESENT LIVES.

YET WE ARE NOT HOSTAGE TO THE WHIMS OF TECHNOLOGY. WE HAVE HELPED SHAPE THIS NEW ENVIRONMENT. WE HAVE IN THE PAST AND WE WILL CONTINUE TO DEVELOP TECHNOLOGY WHICH WILL BE OF EVER GREATER BENEFIT TO CANADIANS - SATELLITES, CABLE, VIDEOTEX, ARE JUST A FEW EXAMPLES.

AND JUST LET ME STOP HERE FOR ONE POINT. SOME RECENT PRESS REPORTS HAVE ALLEGED THAT WE HAVE FAILED TO EXPLOIT OUR LEAD IN THE USE OF SPACE TECHNOLOGY. YET, IT WAS THE FEDERAL GOVERNMENT WHICH SPONSORED THE ANIK B AND MORE RECENTLY THE ANIK C SATELLITES AND SUPPORTED EXPERIMENTS BRINGING DIRECT BROADCASTING TO ISOLATED LOGGING CAMPS IN CANADA'S NORTHWEST, BRINGING BRITISH COLUMBIA'S KNOWLEDGE NETWORK TO COMMUNITIES WHICH HAD NEVER BEFORE RECEIVED EDUCATIONAL TELEVISION, PIONEERING TELEMEDICINE AND SATELLITE NEWSGATHERING.

JUST LAST DECEMBER, I AND MY COLLEAGUE, THE HONOURABLE JOHN ROBERTS, ANNOUNCED THE GOVERNMENT'S INTENTION TO SPEND A FURTHER \$475 MILLION ON SPACE DEVELOPMENT OVER THE NEXT FIVE YEARS. THIS REAFFIRMS A COMMITMENT TO SPACE DATING BACK OVER 20 YEARS AND WE ARE NOW BEGINNING TO REAP THE BENEFITS OF THAT COMMITMENT.

WE HAVE BEEN FIRST IN MANY OF THESE AREAS AND TODAY WE CONTINUE TO EXPLOIT THEM COMMERCIALY. JUST LAST WEEK CANADIANS VIEWED THE LAUNCH OF ANIK C, THE WORLD'S MOST POWERFUL COMMERCIAL SATELLITE FOR TELEVISION. CANADIAN PAY TELEVISION OPERATORS WILL BE THE FIRST TO USE IT ONLY A FEW SHORT MONTHS FROM NOW.

THE FUTURE IS NOT TOMORROW. THE FUTURE IS NOW - AND WE HAVE HELPED SHAPE IT AND WILL CONTINUE TO SHAPE IT FOR THE BENEFIT OF CANADIANS.

VERY ABRUPTLY WE ARE MOVING FROM A THREE OR FOUR OR FIVE CHANNEL WORLD INTO A 50 CHANNEL WORLD, HEADING FOR A 100 CHANNEL WORLD. INSTEAD OF THE RELATIVELY PEACEABLE STRUGGLE FOR RATINGS, BETWEEN SIMILARLY CONSTITUTED STATIONS, WE WILL FIND OURSELVES DEALING WITH SATELLITE-CARRIED PROGRAMMING OF ENORMOUS VARIETY, HOME VCR'S AND VIDEO GAMES, HOME COMPUTERS, VIDEO DISCS AND PRE-RECORDED CASSETTES AND A MULTITUDE OF OTHER NEW SERVICES THAT ARRIVE ON THE MARKET DAILY AND CUT INTO EVERYBODY'S AUDIENCES.

AND, WHEN WE LOOK UP AT A SKY ALREADY FULL OF SATELLITES, WE KNOW THAT IT IS THE SATELLITE, MORE THAN ANYTHING ELSE, WHICH REPRESENTS THE NEW ENVIRONMENT. THE SATELLITE DISREGARDS FRONTIERS. NATIONAL BARRIERS AND NATURAL BARRIERS CAN NO LONGER BE RELIED ON TO KEEP NATIONS OUT OR KEEP NATIONS IN.

THIS IS NOT ONLY A NORTH AMERICAN PHENOMENON, NOT JUST THE RESULT OF OUR LIVING NEXT DOOR TO THE WORLD'S MOST POWERFUL BROADCASTER. OF COURSE, CANADA IS FIRST. IN ANIK C WE HAVE THE WORLD'S FIRST DBS SATELLITE. BUT JAPAN WILL HAVE ONE IN 1983, FRANCE AND GERMANY IN 1985, BRITAIN IN 1986. AND LUXEMBOURG IS IN THE ADVANCED STAGES FOR ITS PLANNING TO BLANKET EUROPE. ALL THIS TO THE DISMAY OF THE WELL-ESTABLISHED, MAJOR NATIONAL BROADCASTING SYSTEMS.

AT THE SAME TIME, CABLE NETWORKS ARE SPREADING EVERYWHERE. BELGIUM IS, PER CAPITA, THE MOST CABLED COUNTRY IN THE WORLD. THE FRENCH ARE CABLING 27 CITIES THIS YEAR. WEST GERMANY IS GOING CABLE. THE HUNT REPORT IS RECOMMENDING A CABLE SYSTEM FOR BRITAIN. AND AUSTRALIA WILL SOON BE CABLING, AS WELL.

AS YOU KNOW ONLY TOO WELL, THESE POWERFUL NEW DISTRIBUTION TECHNOLOGIES DO MUCH MORE THAN REACH ACROSS BOUNDARIES. THEY DELIVER THE RANGE OF PROGRAMMING SERVICES THAT MAXIMIZE CHOICES, FRAGMENT MARKETS AND CREATE A DEMAND FOR PRODUCT. WITH DOZENS OF CHANNELS AVAILABLE, EVERYBODY CAN WATCH A PROGRAM OF HIS OR HER CHOICE.

SPECIALIZED PROGRAMMING, SPECIALIZED AUDIENCES, SPECIALIZED ADVERTISING TARGETS, SPECIALIZED SERVICES! SUDDENLY THIS MASS MEDIUM IS NO LONGER ONE SOLID INCREDIBLE HULK, BUT A MULTI-HEADED UNKNOWN, AN ILL-DEFINED CONGLOMERATE OF PEOPLE WITH VARYING CHARACTERISTICS, TASTES, DREAMS AND DESIRES.

THE NEW TECHNOLOGIES MAKE IT POSSIBLE TO RESPOND TO THIS FRAGMENTED PUBLIC AND OFFER A MUCH GREATER VARIETY OF CHOICE TO CANADIAN VIEWERS. FOR DOMESTIC ORIGINATORS, DISTRIBUTORS AND EXHIBITORS OF PROGRAMMING THIS MEANS THAT THE NEW ENVIRONMENT WILL BE AN INCREASINGLY COMPETITIVE ONE. ADAPTABILITY, INGENUITY, AND PRODUCTION OF QUALITY -- THESE WILL NOW DECIDE WHAT VIEWERS WATCH.

IF THE CANADIAN BROADCASTING SYSTEM IS TO RETAIN A DISTINCTIVELY CANADIAN CHARACTER IN THIS ENVIRONMENT, IT MUST PRODUCE - IT MUST BE ABLE BOTH TO PRODUCE AND TO DISTRIBUTE TO CANADIAN AUDIENCES AN INCREASED QUANTITY OF HIGH-QUALITY CANADIAN PROGRAMMING OF ALL TYPES.

PROGRAMMING IS WHAT REALLY COUNTS FOR THE PUBLIC. THE NAGGING, CHRONIC PROBLEM OF TOO LITTLE CANADIAN PROGRAMMING WITH WIDESPREAD APPEAL AVAILABLE TO CANADIANS IN COMPARISON WITH FOREIGN PROGRAMMING HAS BEEN WITH US SINCE THE BEGINNING OF BROADCASTING MORE THAN 50 YEARS AGO. ITS CAUSE HAS ALWAYS BEEN THE SAME, THE ECONOMICS OF PROGRAM PRODUCTION IN CANADA. MAJOR FOREIGN DRAMA PROGRAMS ARE BUDGETTED AS HIGH AS \$1 MILLION PER HOUR, THEIR COST AMORTIZED IN THEIR LARGE HOME MARKET AND THE CANADIAN RIGHTS TO SUCH PROGRAMS OFFERED AT A FRACTION OF WHAT THEY WOULD COST TO CREATE -- SOMETIMES LESS THAN ONE PER CENT OF COST.

OUR FRIENDS, THE AMERICANS HAVE HAD EXTRAORDINARY SUCCESS IN DEVELOPING A SYSTEM FOR PRODUCING PROGRAMMING. THEIRS IS AN INTERESTING MODEL; ITS SUCCESS IS MUCH ADMIRERD THROUGHOUT THE WORLD. THEIR MAJOR TELEVISION NETWORKS PRODUCE AND DISTRIBUTE SPORTS, NEWS AND PUBLIC AFFAIRS PROGRAMS. EVERYTHING ELSE THEY ACQUIRE AND DISTRIBUTE. THEY ACQUIRE THIS PROGRAMMING FROM INDEPENDENT PRODUCERS WHO TAKE ENORMOUS RISKS ON PILOTS OR SHORT-LIVED SHOWS. BUT IF THE SHOW SURVIVES ABOUT 130 EPISODES AND GOES INTO SYNDICATION, THE PROFITS ARE ENORMOUS AND EVERYBODY INVOLVED BECOMES FILTHY RICH.

MANY PEOPLE FIND THIS A SEDUCTIVE SCENARIO. BUT IS IT A REALISTIC SCENARIO FOR CANADA? CAN WE EXPECT INDEPENDENT PRODUCERS, RELYING EXCLUSIVELY ON MARKET FORCES, TO FILL THE SAME ROLE HERE? IS THERE A MORE APPROPRIATE MODEL WHICH WILL TAKE INTO ACCOUNT CANADIAN NEEDS, CONDITIONS AND THE CANADIAN MARKET? SHOULD WE NOT TRY TO BUILD A MODEL BASED ON THE STRENGTHS OF THE TWO ESSENTIAL COMPONENTS OF OUR PRESENT SYSTEM - THE PRIVATE SECTOR AND THE PUBLIC SECTOR? IN THIS, AS IN SO MANY OTHER ASPECTS, WE WILL COUNT ON YOUR ADVICE, YOUR EXPERIENCE, YOUR COUNSEL.

THE NEW TECHNOLOGY, THE NEW BROADCAST ENVIRONMENT, WILL INTENSIFY OUR TRADITIONAL PROGRAMMING PROBLEM. THE REVOLUTIONARY TECHNOLOGICAL CHALLENGE HAS BROUGHT THE CHRONIC CONTENT CHALLENGE TO THE FORE IN AN ENTIRELY DIFFERENT WAY. IT IS NOW MUCH MORE ACUTE.

BUT SUPPOSING THAT CANADIAN PROGRAM PRODUCERS AND BROADCASTERS WERE HELPED THROUGH POSITIVE INCENTIVES TO MAKE THEIR PRODUCTIONS ECONOMICALLY COMPETITIVE. CANADA'S CREATIVE AND PRODUCTION COMMUNITIES HAVE SHOWN THAT, GIVEN THE MEANS, THEY HAVE THE SKILLS AND THE IMAGINATION TO CAPTURE NATIONAL AND INTERNATIONAL ATTENTION. IT HAS BEEN PROVED REPEATEDLY, THAT THE CANADIAN PUBLIC PREFERS, ENJOYS AND USES CANADIAN MATERIALS WHEN THESE ARE AVAILABLE AND ATTRACTIVE.

WHY IS IT THAT EDITORIALISTS AND COMMENTATORS WRITE ABOUT CANADIAN PROGRAMMING BEING BORING AND UNSALEABLE? THE FACTS ARE ABSOLUTELY THE CONTRARY. THERE WAS A PERIOD THIS PAST SPRING WHEN, ACCORDING TO VARIETY, THREE OF THE TOP TEN GROSSING FILMS SHOWING IN THE UNITED STATES WERE CANADIAN: QUEST FOR FIRE, PORKY'S AND THE AMATEUR. THESE FILMS, PLUS VISITING HOURS, ARE SAID TO HAVE POSTED A BOX OFFICE OF NEARLY \$200 MILLION IN THE U.S. AND CANADA THIS YEAR. IN THE POP MUSIC FIELD THIS PAST YEAR, CANADIAN RECORDING ARTISTS ACCOUNTED FOR CLOSE TO 17 PER CENT OF THE 100 TOP SELLERS IN THE U.S. THE TWO HOTTEST SELLING ROCK GROUPS IN THE WORLD RIGHT NOW ARE RUSH AND LOVERBOY.

AT FIRST GLANCE, THE SITUATION OF FRENCH-LANGUAGE BROADCASTING MIGHT APPEAR ENVIABLE IN MANY RESPECTS, VIS-A-VIS THE NEW ENVIRONMENT. FRENCH BROADCASTING IN THIS COUNTRY IS STRONG, WELL-ESTABLISHED AND OF HIGH QUALITY. IT IS LARGELY CANADIAN IN CONTENT, WHICH DOES NOT PREVENT IT FROM BEING WELL RECEIVED BY ITS PUBLIC.

BUT TODAY NEW CHALLENGES ARE TAKING SHAPE. IN THE YEARS TO COME THE LANGUAGE BARRIER WILL NO LONGER SUFFICE BY ITSELF TO MAINTAIN A CAPTIVE AUDIENCE FOR FRENCH LANGUAGE BROADCASTING. THE LANGUAGE BARRIER IS NO LONGER IMPERVIOUS AS IN THE PAST AND MORE AND MORE FRANCOPHONE TELEVISION VIEWERS ARE SLIPPING TOWARDS ENGLISH CHANNELS.

THE STATISTICS AVAILABLE ON THIS SUBJECT ARE STILL INCOMPLETE, BUT A DEFINITE SLIPPAGE CAN ALREADY BE OBSERVED. BETWEEN 1969 AND 1977, AT PEAK VIEWING TIMES, THE PORTION OF VIEWERS WATCHING FRANCOPHONE PROGRAMMING IN THE MONTREAL AREA DECLINED FROM 66 TO 60 PER CENT. AT THE SAME TIME, FROM 1968 TO 1981 THE AUDIENCE FOR THE PRINCIPAL AMERICAN CHANNELS INCREASED FROM 7 TO 12 PER CENT.

MORE AND MORE FRANCOPHONES ARE TURNING TO ANGLO-CANADIAN AND AMERICAN CHANNELS FOR CERTAIN TYPES OF PROGRAMMING: POLICE SERIES, VARIETY PROGRAMS, QUIZZES, AND CARTOONS. IN THE AREA OF DRAMA PROGRAMMING THE SAME SLIPPAGE IS BEGINNING TO BE FELT. IMPORTED DRAMA PROGRAMS, PARTICULARLY FROM THE UNITED STATES, REPRESENT 88 PER CENT OF ALL DRAMA PROGRAMMING AVAILABLE ON FRANCOPHONE STATIONS; AND THIS REPRESENTS 29 PER CENT OF ALL AVAILABLE PROGRAMMING.

EVEN MORE SIGNIFICANT: AMONG CHILDREN AGED 12 TO 17 THERE IS AN EVEN MORE DISTINCT TENDENCY THAN IN THE ADULT POPULATION TO WATCH FOREIGN PROGRAMMING. FRANCOPHONE CHILDREN UNDER TWELVE DEVOTE 53 PER CENT OF THEIR VIEWING TIME TO WATCHING FOREIGN PROGRAMMING. THIS FIGURE RISES TO 59 PER CENT FOR CHILDREN BETWEEN 12 AND 17.

ALTHOUGH THE SLIPPAGE TOWARDS ENGLISH LANGUAGE PROGRAMMING AND FOREIGN PROGRAMMING MAY STILL BE ONLY MARGINAL, THE EFFECTS OF THE TECHNOLOGICAL REVOLUTION CAN WELL RENDER IT PRECIPITOUS, THUS PLACING THE FRANCOPHONE BROADCASTERS IN STRAITS SIMILAR TO THOSE OF THEIR ANGLOPHONE COMPATRIOTS.

TODAY THERE IS NO WAY TO HOLD BACK THE SURGE OF TECHNOLOGICAL AND COMPETITIVE GROWTH. A SYSTEM OF OUTRIGHT CONTROLS CANNOT AND SHOULD NOT BE SOUGHT. THERE IS NO POINT IN PLUGGING ONE HOLE IN THE DIKE, WHEN NEW TECHNOLOGIES ARE FLOODING OVER THE WALL. THERE IS NO POINT IN TRYING TO RAISE HIGHER WALLS, WHEN THE INFLUX OF THE NEW TECHNOLOGIES IS FROM THE SKIES. BUT DOES THIS MEAN THE END OF RATIONAL ORGANIZATION, OR OF ANY REGULATION, FOR CANADA?

IT SEEMS TO ME THAT TOTAL DEREGULATION, THE SIMPLE ABANDONMENT OF ALL CONTROL OVER THE BROADCASTING SYSTEM, IS NOT SUITABLE TO THE CANADIAN FACT. WHAT IS NEEDED, NOW, AND WHAT CAN, INDEED, BE ACHIEVED, IS MANAGING A TRANSITION, A TRANSITION WHICH WILL ENABLE US TO EMERGE WITH OUR SYSTEM STRONG IN BOTH FORM AND CONTENT. A SYSTEM THAT CAN RISE TO THE WORLD CHALLENGE THROUGH ITS ORGANIZATION AND ITS QUALITY.

BUT, THIS IS A TIME OF TRANSITION. AND LIKE ALL PERIOD OF GREAT CHANGE, IT IS NOT WITHOUT ITS NAGGING PROBLEMS, WHICH ALTHOUGH SHORT TERM IN EFFECT, ASSUME A SYMBOLIC SIGNIFICANCE FAR OUTWEIGHING THEIR REAL WORTH. AT THE MOMENT, AS MINISTER OF COMMUNICATIONS, I AM CONFRONTED WITH ONE SUCH PROBLEM: THE PROLIFERATION OF UNLICENCED TVROS. AS YOU KNOW, I AM COMMITTED TO ENSURING THAT ALL CANADIANS, WHEREVER THEY LIVE IN THIS VAST COUNTRY, WILL HAVE A MUCH IMPROVED LEVEL OF BROADCASTING SERVICE. THE UNAUTHORIZED USE OF TVROs MAY BRING MORE SERVICES TO A SMALL NUMBER OF CANADIANS TEMPORARILY, BUT IT PROVIDES NO SOLUTION AT ALL FOR THE VAST MAJORITY OF CANADIANS. IT EFFECTIVELY UNDERMINES CANADIAN BUSINESSES AND THE MEANS THAT ARE BEING DEVELOPED THROUGH GROUPS SUCH AS CANCOM, THROUGH OUR NATIONAL AND REGIONAL NETWORKS AND EDUCATIONAL AND PAY TELEVISION SERVICES, AND THROUGH OUR INDEPENDENT BROADCASTERS AND CABLE OPERATORS, TO EQUALIZE THE DISTRIBUTION OF BROADCASTING SERVICES THROUGHOUT THE COUNTRY.

IN THIS CONTEXT SOME PEOPLE (EVEN SOME JOURNALISTS) FIND THEMSELVES IN UNUSUAL COMPANY. SO THAT, WHILE THE TORONTO STAR, IN AN EDITORIAL, ATTACKS THE GOVERNMENT FOR ENFORCING THE LAW, CALLING ENFORCEMENT AN "UNFAIR SATELLITE DISH POLICY", A COLUMNIST IN THE EDMONTON SUN FLIES TO THE DEFENSE OF THE GOVERNMENT. REFERRING TO THE USERS OF ILLEGAL DISHES AS COPYRIGHT THIEVES, THE SUN'S COLUMNIST PRAISES MY DEPARTMENT FOR ITS STAND, WHICH WILL HELP BROADCASTERS IN GENERAL AND PAY-TV IN PARTICULAR TO OVERCOME A "NEAR-TERMINAL CHILL FROM THE ICY ECONOMIC CLIMATE." PRESENT ENFORCEMENT ACTIVITIES CAN AND WILL BE PURSUED VIGOROUSLY. BY THEM WE GIVE OURSELVES THE OPPORTUNITY TO MAKE AN ORDERLY TRANSITION TO A NEW BROADCASTING ENVIRONMENT.

BUT SUCH ENFORCEMENT CANNOT BE AN ANSWER IN ITSELF. WE MUST RESPOND POSITIVELY TO THE CHALLENGES. AND, IF WE RESPOND TO THE CHALLENGES WITH ENTREPRENEURIAL BOLDNESS, WHAT RESULT CAN WE EXPECT?

I ENVISAGE A NEW WORLD FOR BROADCASTERS. I ENVISAGE A NEW CANADIAN BROADCASTING SYSTEM WITH ALL THE STRENGTHS OF THE OLD ONE, BUT WITH NEW POTENCY. I ENVISAGE A SYSTEM CHARACTERIZED BY ENRICHMENT, NOT CONSTRICTION; AND BY MODIFICATION, RATHER THAN REPLACEMENT OF WHAT IS GOOD IN WHAT WE ALREADY HAVE.

CONVENTIONAL TECHNOLOGIES MUST CONTINUE TO FIND NEW ROLES. A DAY WITHOUT RADIO, TO MIS-QUOTE WHAT THAT OLD GOURMET BRILLAT-SAVARIN SAID ABOUT WINE, WOULD BE LIKE A DAY WITHOUT SUNSHINE. NOR MUST WE ABANDON CONVENTIONAL TELEVISION IN OUR DELIGHT WITH THE NEW TECHNOLOGIES. BUT, JUST AS RADIO HAD TO CHANGE AND ADAPT ITSELF TO THE ADVENT OF TELEVISION, SO CONVENTIONAL TELEVISION WILL HAVE TO FIND ITSELF ANEW. IMAGINATION, CREATIVITY AND FLEXIBILITY WILL BE NEEDED, NOT ONLY ON THE PART OF THE ENTREPRENEURS, BUT ALSO ON THE PART OF THE POLICY MAKERS AND ON THE PART OF THE REGULATORS.

THE NEW SYSTEM WILL, IT SEEMS TO ME, BE CHARACTERIZED BY ITS DIVERSITY AND ITS EXPANDING CHOICES, OF WHICH ITS CANADIAN PROGRAMMING MUST BE AND WILL BE A POWERFUL, FIERCELY COMPETITIVE PART. CHOICE WITHOUT A HEALTHY OFFERING OF CANADIAN PROGRAMMING IS NO CHOICE AT ALL.

THERE WILL BE A MULTIPLICITY OF DELIVERY SYSTEMS AS WELL AS A MULTIPLICITY OF PROGRAM SOURCES. THERE WILL BE GREATLY INCREASED COMPETITION. FOR THOSE WHO VIEW THESE NEW DEVELOPMENTS AS A THREAT, THEY WILL INDEED BE A THREAT. BUT FOR THOSE WHO VIEW THEM AS AN OPPORTUNITY THEY WILL BE EXACTLY THAT. GOVERNMENT AND REGULATORS MUST RECOGNIZE THIS AND MOVE TO HELP CREATE THE OPPORTUNITIES. ENTREPRENEURS LIKE YOURSELVES MUST SEIZE THEM.

THERE WILL NO LONGER BE A MONOLITHIC PUBLIC. NARROWCASTING WILL PROVIDE NEW MARKETS FOR BROADCASTERS WHILE SERVING THE PUBLIC WITH A DIVERSITY OF CHOICES NEVER BEFORE POSSIBLE.

AND THESE NEW PUBLICS NEED NOT BY ANY MEANS BE CONFINED TO THIS COUNTRY ALONE. IF FRONTIERS ARE PERMEABLE TODAY, THEY ARE PERMEABLE IN BOTH DIRECTIONS. ALL THE NEW DELIVERY SYSTEMS -- WHETHER IN NORTH AMERICA, AUSTRALIA, BRITAIN OR EUROPE -- ARE ALREADY HUNGRY FOR PROGRAMMING TO FILL THEIR SERVICES.

MARKETS ARE ALREADY AVAILABLE TO QUALITY PRODUCTS IN THE NEW US PAY TV PROGRAMMING SERVICES, SUCH AS HBO, AND THE REST; IN SYNDICATION MARKETS WHICH ARE GROWING RAPIDLY; IN ALL THE NEW SATELLITE-CABLE SERVICES; AND EVEN IN THE PROPOSED BRITISH OPEN-SKIES CABLE SYSTEMS. WHY SHOULD NOT A GOODLY PORTION OF THEIR PROGRAMMING BE SUPPLIED BY US?

WHAT I AM LOOKING FOR IS A PARTNERSHIP WITH THE PRIVATE SECTOR. A PARTNERSHIP THAT WILL RELY HEAVILY ON THE PRIVATE SECTOR TO PRODUCE A WIDER RANGE OF HIGH QUALITY TELEVISION PROGRAMMING, SO THAT OUR PROGRAMMING WILL BECOME FULLY COMPETITIVE NOT JUST WITH FOREIGN PROGRAMMING AS A WHOLE, BUT WITH THE BEST OF FOREIGN PROGRAMMING. IT WOULD BECOME COMPETITIVE BOTH IN ITS PURSUIT OF THE HEARTS AND MINDS (AND EYES) OF CANADIAN VIEWERS, AND ALSO OF FOREIGN VIEWERS. AT THE SAME TIME, NEW PROGRAMMING AND NON-PROGRAMMING SERVICES FOR SPECIALIZED AUDIENCES WOULD BE CREATED - BY ENCOURAGEMENT OF ENTREPRENEURIAL ACTIVITY.

CABLE HAS AN IMPORTANT ROLE TO PLAY IN SUPPORTING OUR PROGRAM PRODUCERS AND BROADCASTERS, IN REACHING OVER 80 PER CENT OF CANADIAN HOMES AND IN HELPING DELIVER AN EXPANDED RANGE OF DOMESTIC SERVICES, TRADITIONAL AND NEW CANADIAN AND FOREIGN SERVICES, AND NEW NON-PROGRAMMING AND INTERACTIVE SERVICES AS WELL. THE NEW SATELLITE TECHNOLOGY WILL HAVE AN EQUALLY IMPORTANT ROLE TO PLAY IN FURTHER EXTENDING THE DELIVERY OF SERVICES THROUGHOUT THE COUNTRY.

WHAT WE NEED AND MUST ACHIEVE IS A JUDICIOUS MIX OF REALISTIC REGULATION AND POWERFUL INCENTIVES FOR CANADIAN PROGRAM PRODUCTION. WE MUST ENSURE THAT THE CANADIAN BROADCASTING SYSTEM REMAINS IDENTIFIABLY CANADIAN AND RESPONSIVE TO CANADIAN NEEDS, VALUES, CULTURE AND CONCERNS, WHILE REMAINING REALISTICALLY FUNCTIONAL IN THE NEW ENVIRONMENT. I HAVE IDEAS FOR SPECIFIC MEASURES IN THIS REGARD. NO DOUBT YOU DO TOO. AND YOUR IDEAS WILL BE SOUGHT, METICULOUSLY NOTED, WEIGHED AND, WHENEVER POSSIBLE, INCLUDED.

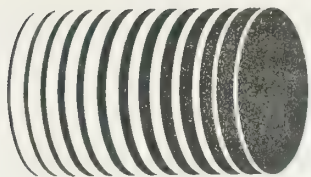
LET ME SUM UP WITH A KIND OF CREDO.

I BELIEVE THAT IN THEIR BROADCASTING WORLD CANADIANS WANT TO HAVE A CHOICE OF THE WORLD'S BEST PROGRAMMING AS MADE AVAILABLE TO THEM BY TODAY'S TECHNOLOGIES; AND I BELIEVE THAT THEY SHOULD HAVE IT AND THAT YOU CAN HELP GIVE IT TO THEM.

I BELIEVE CANADIANS ALSO WANT TO SEE A TRUE REFLECTION OF THEMSELVES IN OUR OWN PRODUCTIONS, WHICH CAN BE COMPETITIVE WITH THE BEST THE WORLD HAS TO OFFER; AND THEY SHOULD HAVE IT AND YOU CAN HELP GIVE IT TO THEM.

I BELIEVE WE CAN BUILD UPON WHAT IS ALREADY IN PLACE, AND STILL USE THE BEST OF THE NEW SYSTEMS AT THE SAME TIME. AND YOU CAN DO THAT, TOO.

I BELIEVE THAT THE CANADIAN BROADCASTING SYSTEM AND YOU, ITS BROADCASTERS, ARE ALREADY IN MANY WAYS AMONG THE BEST IN THE WORLD AND THAT WE CAN BUILD UPON OUR STRENGTHS TO ATTAIN AND TO OCCUPY, IN THE NEW WORLD OF BROADCASTING, THE PLACE OF FIRST RANK WHICH LIES WITHIN OUR GRASP.



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..."We are a scientific civilization: that means, a civilization in which knowledge and its integrity are crucial... Every civilization has gone forward because of its engagement with what it has set itself to do... We are being weighed in the balance at this moment. If we give up, the next step will be taken -- but not by us."

J. Bronowski
The Ascent of Man



NOTES FOR A SPEECH
BY THE HONOURABLE MARCEL MASSE
M.P. FOR FRONTENAC
MINISTER OF COMMUNICATIONS
CANADIAN SATELLITE USER CONFERENCE, 1984

OTTAWA, ONTARIO
NOVEMBER 21, 1984

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INTRODUCTION

I AM PARTICULARLY PLEASED TO ADDRESS THIS CONFERENCE BECAUSE THIS AREA OF MY MANDATE IS ONE OF MY HIGHEST PRIORITIES. IN DEALING WITH IT, I KNOW THAT I FACE A VERY EXCITING CHALLENGE. IT IS ABOVE ALL A CHALLENGE TO LIVE UP TO THE LEVEL OF OUR OWN ACCOMPLISHMENTS. AS JACOB BRONOWSKI SAID IN HIS POPULAR BOOK ON THE ASCENT OF MAN:

..."We are a scientific civilization: that means, a civilization in which knowledge and its integrity are crucial... Every civilization has gone forward because of its engagement with what it has set itself to do... We are being weighed in the balance at this moment. If we give up, the next step will be taken -- but not by us."

BUT IF THE CHALLENGE IS GREAT, THE POSSIBILITIES ARE EVEN GREATER. INDEED IT IS MORE THAN A CHALLENGE. I REGARD IT AS AN OPPORTUNITY TO MAKE A FRESH START.

BECAUSE WE ARE A NEW GOVERNMENT, WE ARE IN FACT LOOKING AT EVERYTHING FROM A NEW PERSPECTIVE. WE CAN, AND WE WILL, CAREFULLY EXAMINE ALL FACETS OF OUR RESPONSIBILITIES, WITH A VIEW TO ACHIEVING THE DEGREE OF CHANGE, AS WELL AS THE KIND OF CHANGE, WHICH THE CANADIAN PEOPLE HAVE SAID -- AND SHOWN -- THEY WANT TO HAVE.

IN THE SPEECH FROM THE THRONE THE CANADIAN GOVERNMENT DID, IN FACT, TAKE A FRESH LOOK AT OUR BURGEONING SPACE INDUSTRY. WE SAW THAT CANADA NEEDS AND MUST HAVE CONTINUED GROWTH IN SPACE TECHNOLOGY. WE MUST HAVE INCREASED INVESTMENT IN RESEARCH AND DEVELOPMENT, TO FURTHER THE QUALITY AND QUANTITY OF THAT GROWTH. AND WE MUST HAVE INCREASED AND ENHANCED USE OF SPACE AND COMMUNICATIONS TECHNOLOGY, IN ORDER TO BETTER SERVE ALL THE PEOPLE OF CANADA.

THESE OBJECTIVES, TAKEN BY THEMSELVES, MAY NOT SEEM NEW. BUT WHAT IS NEW IS THAT THE GOVERNMENT OF CANADA INTENDS TO MEET THESE OBJECTIVES -- AND TO MEET THEM AS QUICKLY AND AS INNOVATIVELY AS POSSIBLE.

POLICIES

TO MEET OUR OBJECTIVES, OUR GOVERNMENT INTENDS TO ADOPT A THREE-POINT POLICY.

FIRST -- THE POLICY AND REGULATORY ENVIRONMENT WILL BE STRUCTURED TO HELP, RATHER THAN HINDER, THE NATURAL GROWTH OF CANADIAN TECHNOLOGY.

SECOND -- GOVERNMENT MUST ENCOURAGE INITIATIVES FROM THE PRIVATE SECTOR. PUBLIC SECTOR PARTICIPATION WILL BE DESIGNED TO COMPLEMENT THESE ACTIVITIES, RATHER THAN COMPETE WITH THEM.

THIRD -- THE KEY TO OUR SUCCESS LIES IN MARKET DEVELOPMENT -- ESPECIALLY INTERNATIONAL MARKET DEVELOPMENT, WHICH WE MUST, AND WHICH WE WILL, ACHIEVE.

NO BETTER EXAMPLE CAN BE FOUND OF THE NEED FOR THESE POLICIES, THEIR UTILITY AND PRACTICALITY, THAN BY AN EXAMINATION OF OUR SATELLITE AND SPACE TECHNOLOGY DEVELOPMENT REQUIREMENTS, AN EXAMINATION SUCH AS THIS CONFERENCE IS UNDERTAKING.

I AM ESPECIALLY PLEASED TO BE ABLE TO PARTICIPATE WITH YOU IN THE CONFERENCE BECAUSE IT REPRESENTS THE KIND OF CO-OPERATION AND CONSULTATION BY WHICH THIS GOVERNMENT INTENDS TO ACT. INVOLVING AS IT DOES TELESAT, THE DEPARTMENT OF COMMUNICATIONS AND THE USER COMMUNITY, THIS CONFERENCE IS INTENDED TO HELP ENSURE THAT THE DEVELOPMENT OF OUR SPACE INDUSTRY PROCEEDS TO THE GREATEST POSSIBLE BENEFIT OF ALL CONCERNED.

ADVANCES IN COMMUNICATIONS TECHNOLOGY ARE PRECIPITATING MASSIVE CHANGES IN PUBLIC POLICY IN MANY COUNTRIES. THE RESTRUCTURING OF THE U.S. PHONE SYSTEM IS THE MOST OBVIOUS EXAMPLE, ALTHOUGH JAPAN AND THE UNITED KINGDOM, AMONG OTHERS, ARE ALSO CHANGING THE TRADITIONAL STRUCTURES OF THEIR TELECOMMUNICATION INDUSTRIES.

HERE IN CANADA WE ARE ALSO REVIEWING OUR TELECOMMUNICATIONS POLICY. BECAUSE WE ARE SO CLOSE TO THE UNITED STATES, WHERE THE PACE OF CHANGE IS MOST RAPID, CANADA MUST RESPOND TO THESE TECHNOLOGICAL ADVANCES EVEN MORE QUICKLY THAN MANY OTHER COUNTRIES, IF OUR INDUSTRIES ARE TO REMAIN COMPETITIVE.

CANADA ALREADY HAS A RECORD OF ACHIEVEMENT IN THE DEVELOPMENT AND APPLICATION OF SATELLITE TECHNOLOGY. BUT IN SPITE OF OUR HEAD START, CANADA HAS NOT YET FULLY EXPLOITED ITS OWN TECHNOLOGY. WE MUST ENSURE THAT WE REMAIN AMONG THE WORLD LEADERS.

AMONG OUR ACHIEVEMENTS IS THE ESTABLISHMENT OF TELESAT ITSELF. TELESAT'S MILESTONES ARE MANY. ANIK A-1 WAS THE WORLD'S FIRST DOMESTIC COMMUNICATIONS SATELLITE IN GEOSTATIONARY ORBIT WHEN IT WAS LAUNCHED IN 1972. SINCE THEN SEVEN MORE SATELLITES HAVE BEEN LAUNCHED, EACH SERIES BEING MORE ADVANCED THAN ITS PREDECESSOR.

SINCE ITS INCEPTION, TELESAT HAS BEEN SUBJECT TO STRICT REGULATION. ITS MAJOR CUSTOMERS ARE REGULATED AS WELL. THE INDUSTRY HAS GROWN UP NOW AND IT IS CLEAR THAT THE REGULATORY AND POLICY CLIMATE MUST REFLECT THIS NEW MATURITY.

THIS IS THE THINKING BEHIND THE FIRST POLICY I MENTIONED, THAT IS, STRUCTURING THE REGULATORY ENVIRONMENT TO HELP, RATHER THAN TO HINDER, THE NATURAL GROWTH OF CANADIAN TECHNOLOGY.

TELESAT CAN PLAY AN APPROPRIATE ROLE IN THIS NEW FRAMEWORK BY MAKING SURE THAT THE CAPACITY ON ITS OWN SATELLITES IS FULLY AVAILABLE WHENEVER THEIR USE IS MOST ECONOMICAL.

SATELLITE-BASED CORPORATE BUSINESS NETWORKS MAY ANSWER THE REQUIREMENTS OF SOME BUSINESSES, MAKING THE MATTER OF EARTH STATION OWNERSHIP A FACTOR. I BELIEVE THAT PRIVATE OWNERSHIP OF SUCH STATIONS SHOULD BE PERMITTED, AND REGULATIONS TO THAT EFFECT ARE NOW BEING DRAFTED BY MY DEPARTMENT. BUT REGULATIONS ARE INDEED ONLY A FRAMEWORK, AND INITIATIVES MUST -- AS I INDICATED IN MY SECOND POLICY POINT -- COME FROM THE PRIVATE SECTOR.

I BELIEVE STRONGLY IN INDUSTRY INITIATIVES. YOU CAN BE SURE THAT I WILL EXTEND MY FULL ENCOURAGEMENT AND SUPPORT TO SUCH INITIATIVES FOR THE DEVELOPMENT OF NEW APPLICATIONS AND NEW SERVICES, WHICH HAVE CLEAR ECONOMIC AND SOCIAL BENEFITS FOR CANADA.

I RECOGNIZE THAT A MAJOR OBJECTIVE OF TELESAT IN HOLDING THIS CONFERENCE IS TO INITIATE AND CONTINUE A DIALOGUE WITH THE USERS DURING THE PLANNING PHASE OF THE NEXT GENERATION OF SATELLITES -- THE ANIK E'S AND F'S OF THE 1990'S.

THIS KIND OF EXTENSIVE CONSULTATION DID NOT TAKE PLACE FOR THE EARLIER GENERATION OF ANIKS, BUT IT IS CLEARLY IN YOUR INTERESTS.

CANADA SHOULD BASE ITS NEW SATELLITES ON USER REQUIREMENTS, BY DESIGNING AND OFFERING SATELLITE SYSTEMS WHICH ARE RELEVANT TO USERS--AND WHICH WILL BE USED INTO THE 1990'S, AND BEYOND.

A VERY GOOD EXAMPLE OF SUCH CONSULTATION WITH USERS CAN BE FOUND IN MOBILE SATELLITE SERVICES OR MSAT. USERS WILL NEED TO KNOW THE POLICIES CONCERNING MSAT SERVICES BEFORE MSAT IS LAUNCHED, SO THAT THERE ARE NO UNCERTAINTIES IN THEIR MINDS ABOUT THE UTILITY OF MSAT TO THEM. YOU HAVE BEEN INVITED BY THE DEPARTMENT OF COMMUNICATIONS TO COMMENT ON WHAT THESE POLICIES SHOULD BE, AND I LOOK TO THE INDUSTRY TO TELL ME WHAT THEIR INTERESTS ARE. TELESAT HAS SERIOUSLY ANALYZED ITS BUSINESS OPPORTUNITIES WITH MSAT. BOTH TELESAT AND THE GOVERNMENT MUST SOON COME TO A DECISION ON THE MSAT PROGRAM. THE FACT THAT MSAT WOULD BE A COMMERCIALY DRIVEN PROGRAM WILL CERTAINLY MAKE THE DECISION EASIER.

MSAT IS NOT THE ONLY AREA OF MAJOR PRIVATE SECTOR INVOLVEMENT. I ALSO LOOK FORWARD TO INDUSTRY INITIATIVES CONCERNING DIRECT BROADCASTING SATELLITE SERVICE IN CANADA. A DISPARITY REMAINS BETWEEN THE TELEVISION SERVICE AVAILABLE IN CITIES AND TOWNS IN CANADA AND THE RURAL AND REMOTE AREAS WHERE THE POPULATION IS DISPERSED. DIRECT BROADCASTING SATELLITE SERVICE IS AN IMPORTANT ALTERNATIVE IN MEETING THE IMPORTANT SOCIAL GOAL OF PROVIDING MORE TELEVISION CHOICE TO THIS SUBSTANTIAL PORTION OF THE CANADIAN TELEVISION MARKET. ANIK C IS AN AVAILABLE RESOURCE. IN NO OTHER COUNTRY DOES A SIMILAR OPPORTUNITY EXIST, WAITING TO BE SEIZED BY ENTREPRENEURIAL BUSINESSMEN AND BROADCASTERS.

FURTHER OPPORTUNITY FOR NEW INITIATIVES AND INNOVATIVE APPLICATIONS SHOULD BE PROVIDED BY SATELLITE BUSINESS SERVICES. I AM CONFIDENT THAT SATELLITE BASED SYSTEMS WILL BE DEVELOPED WHENEVER THEY ARE THE COST-EFFECTIVE SOLUTION AND I AM COMMITTED TO ENSURING THAT THE REGULATORY ENVIRONMENT DOES NOT IMPEDE THIS DEVELOPMENT. ONCE IN PLACE THEY OFFER THE POSSIBILITY OF ADDING NEW SERVICES AT MARGINAL COST. I KNOW THERE IS THE IMAGINATION IN CANADA TO CONCEIVE MANY USEFUL NEW SERVICES, AND I ALSO KNOW THAT CANADIAN INDUSTRY HAS THE TECHNICAL INGENUITY TO PROVIDE THE NEW PRODUCTS THESE SERVICES WILL REQUIRE.

THIS GOVERNMENT WILL ENCOURAGE INDUSTRY INITIATIVES IN THE APPLICATIONS OF SPACE TECHNOLOGY AND THE DEVELOPMENT OF NEW SERVICES, WHICH, AS I SAID BEFORE, HAVE CLEAR ECONOMIC AND SOCIAL BENEFITS FOR CANADA.

AS A FIRST MOVE IN SUPPORTING SUCH INITIATIVES FROM THE PRIVATE SECTOR THE GOVERNMENT WILL ISSUE LICENCES FOR PRIVATE USERS OF EXPERIMENTAL TRANSMIT EARTH STATIONS BEGINNING IN APRIL 1985. AND WHEN THIS EXPERIMENTAL PHASE IS COMPLETED, PERMANENT LICENCES FOR SUCH PRIVATE USERS WILL BE AVAILABLE IN 1986. SUCH A DEVELOPMENT WILL BENEFIT USERS DIRECTLY. IT WILL ALSO PROVIDE OPPORTUNITIES FOR THE CANADIAN MANUFACTURING INDUSTRY.

WE ALL RECOGNIZE THAT SPACE TECHNOLOGY IS A RAPIDLY EVOLVING FIELD. YOU CAN BE SURE THAT THE GOVERNMENT WILL EXTEND ITS FULL SUPPORT TO FURTHER THIS TECHNOLOGY AND ITS MARKET DEVELOPMENT, SO THAT CANADA MAINTAINS ITS POSITION WITH WORLD LEADERS IN THE ADVANCEMENT OF ALL NEW TECHNOLOGY.

IN TERMS OF MARKET DEVELOPMENT, I BELIEVE THAT CANADA HAS SIGNIFICANT INTERNATIONAL OPPORTUNITIES IN THE FIELD OF SATELLITE COMMUNICATIONS. NOT MANY COUNTRIES ARE AS ADVANCED AS WE ARE. WE MUST CAPITALIZE ON THIS ADVANTAGE SO THAT WE GET OUR SHARE OF INTERNATIONAL BUSINESS AND THUS CONTRIBUTE TO THE ONGOING COSTS OF CONTINUING THE DEVELOPMENT CYCLE.

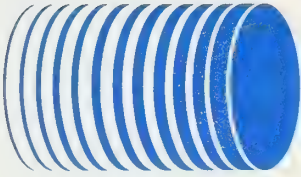
INTERNATIONAL MARKET DEVELOPMENT IS ONE OF MY STRONGEST PERSONAL PRIORITIES. WHILE WE MUST COMPETE WITH INDUSTRY FROM OTHER COUNTRIES, WE SHOULD NOT LOSE SIGHT OF THE FACT THAT COLLABORATION AND COOPERATION CAN ALSO BE ROUTES FOR ADVANCING TECHNOLOGY, AND CAPTURING MARKETS. THIS HAS WORKED FOR US IN THE PAST. WE SHOULD ENDEAVOR TO MAKE IT WORK FOR US IN THE FUTURE.

CONCLUSION

A NUMBER OF CONCLUSIONS CAN BE DRAWN FROM THIS FAST DEVELOPING SITUATION:

- THIS PROGRESSIVE CONSERVATIVE GOVERNMENT WILL WORK CLOSELY WITH TELESAT AND THE USER COMMUNITY.
- WE WILL ENCOURAGE NEW AND INNOVATIVE USES OF COMMUNICATIONS SATELLITES.
- WE WILL ENSURE THAT REGULATORY AND POLICY FRAMEWORKS ENCOURAGE THE DEVELOPMENT OF SATELLITE TECHNOLOGY.
- WE WILL FOSTER PRIVATE SECTOR INITIATIVES.
- WE WILL INCREASE OUR COLLABORATION AND COOPERATION WITH OTHER COUNTRIES, BOTH TO ENHANCE CANADIAN TECHNOLOGY, AND, EVEN MORE IMPORTANTLY, TO ENHANCE, FOSTER AND EXPAND OUR INTERNATIONAL MARKETS.

THE GOVERNMENT CAN DO THIS MUCH. BUT YOU ARE THE FACILITATORS. YOU ARE THE USERS. THE REST IS UP TO YOU.



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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS
BY THE HONOURABLE MARCEL MASSE
M.P. FOR FRONTENAC
MINISTER OF COMMUNICATIONS



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I WANT TO TALK TO YOU TODAY ABOUT A SUBJECT THAT HAS RECEIVED A GREAT DEAL OF ATTENTION IN RECENT WEEKS AND MONTHS ... A SUBJECT ABOUT WHICH I KNOW THAT YOU, AS FUTURE BROADCASTERS AND JOURNALISTS AND FILMMAKERS ARE DEEPLY CONCERNED ... AND THAT IS THE QUESTION OF OUR GOVERNMENT'S COMMITMENT TO PUBLIC BROADCASTING IN CANADA.

BUT FIRST, THERE ARE A NUMBER OF OTHER THINGS I WOULD LIKE TO SAY, TO GIVE YOU AN UNDERSTANDING OF THE ATTITUDES AND POLICIES OF MY PARTY AND MY GOVERNMENT ON A BROADER RANGE OF ISSUES, AND TO TALK A LITTLE BIT ABOUT HOW PUBLIC BROADCASTING IN THIS COUNTRY HAS COME TO BE WHAT IT IS.

WHEN THIS GOVERNMENT WAS ELECTED LAST SEPTEMBER, IT WAS ELECTED ON A MANDATE OF CHANGE. THE PEOPLE OF CANADA HAD MADE IT CLEAR THAT THEY WANTED A CHANGE IN WHAT GOVERNMENT DOES, AND IN HOW GOVERNMENT DOES IT.

WE HAVE ATTEMPTED, IN THE LAST SIX MONTHS, TO WORK TOWARD FULFILLING THAT MANDATE.

ONE OF THE FIRST THINGS WE BELIEVED WE HAD TO CHANGE WAS THE WAY THAT GOVERNMENT SPENDS THE TAXPAYERS' MONEY.

TOTAL GOVERNMENT SPENDING THIS YEAR IS ABOUT 9600 DOLLARS PER TAXPAYER. OF THAT, ROUGHLY 25 PER CENT WILL BE SPENT ON INTERST PAYMENTS TO SERVICE THE NATIONAL DEBT.

BUT, BECAUSE TOTAL GOVERNMENT SPENDING, INCLUDING OUR INTEREST PAYMENTS, IS GREATER THAN TOTAL REVENUES, THE GOVERNMENT IS FORCED TO BORROW, TO MAKE UP THE DIFFERENCE. THEREFORE, THE TOTAL DEBT BECOMES EVEN HIGHER NEXT YEAR, AND WE MUST BORROW EVEN MORE TO PAY OUR INTEREST CHARGES.

THIS IS THE SITUATION THAT WE ARE COMMITTED TO CHANGING. WE DO NOT BELIEVE THAT IT IS A RESPONSIBLE WAY TO MANAGE CANADA'S FINANCES.

THE FIGURES INVOLVED IN A DISCUSSION OF THE NATIONAL DEBT AND THE DEFICIT ARE SO LARGE THAT THEY ARE SOMETIMES DIFFICULT TO GRASP. LET ME GIVE YOU A FEW ILLUSTRATIONS OF OUR NATIONAL FINANCIAL SITUATION.

TOTAL GOVERNMENT SPENDING THIS YEAR WOULD BUY A NEW, 100,000 DOLLAR HOME FOR EVERY HOUSEHOLD IN THE PROVINCE OF BRITISH COLUMBIA. THE INTEREST ON THE DEBT, ALONE, WOULD BUY A 75,000 DOLLAR HOME FOR EVERY HOUSEHOLD IN NOVA SCOTIA. THIS YEAR'S DEFICIT, ROUGHLY 35 BILLION DOLLARS, WOULD BUY EVERY FAMILY IN TORONTO A NEW MERCEDES-BENZ.

IF ENOUGH DOLLAR BILLS COULD BE GATHERED TO REPRESENT THIS YEAR'S DEFICIT, AND IF YOU STARTED TO LAY THEM END-TO-END ALONG THE TRANS-CANADA HIGHWAY, YOU WOULD HAVE TO CROSS THE COUNTRY 300 TIMES TO LAY THEM ALL DOWN. JUST DURING THIS HOUR THAT I WILL SPEND WITH YOU, YOUR COUNTRY WILL RUN UP A DEFICIT OF ROUGHLY 4 MILLION DOLLARS.

THIS IS THE LEGACY THAT YOU, AS PRESENT AND FUTURE TAXPAYERS, ARE NOW INHERITING. THESE ARE THE DEBTS THAT YOU, AND YOUR CHILDREN, WILL HAVE TO REPAY. OUR GOVERNMENT BELIEVES THAT IT IS TIME TO STOP MAKING THE SITUATION WORSE. IT IS TIME TO STOP BURDENING YOUR FUTURES WITH AN UNBEARABLE LOAD. WE BELIEVE THAT WE MUST CONTRIBUTE TO MAKING YOUR FUTURES BETTER, NOT WORSE, AND THAT WE MUST DO EVERYTHING IN OUR POWER TO GIVE YOU A COUNTRY THAT IS STRONG AND HEALTHY AND GROWING, NOT WEAK AND BANKRUPT AND AT THE MERCY OF THE WORLD. AND THAT IS WHY WE BEGAN, IN NOVEMBER, THE PAINFUL PROCESS OF GETTING CANADA'S ECONOMIC HOUSE IN ORDER.

ONE OF THE PRINCIPLES OF THIS GOVERNMENT IS FAIRNESS. IN REDUCING THE DEFICIT, WE RECOGNIZED THAT IT WOULD NOT BE FAIR TO CUT EXPENDITURES ARBITRARILY. THERE ARE SOME GOVERNMENT EXPENDITURES WHICH CARRY A GREAT HUMAN RESPONSIBILITY ... SOME AREAS WHERE GOVERNMENT SPENDING MAKES THE DIFFERENCE BETWEEN HEALTH AND HUNGER, BETWEEN HOUSING AND HOMELESSNESS, BETWEEN EDUCATION AND ILLITERACY.

IT WOULD NOT BE IN KEEPING WITH THE FUNDAMENTAL PRINCIPLES OF BEING CANADIAN TO REGARD THESE EXPENDITURES AS DISCRETIONARY. AND IT WOULD NOT BE IN KEEPING WITH THE PRINCIPLES OF PROGRESSIVE CONSERVATIVES TO PURSUE FISCAL RESPONSIBILITY AT SUCH GREAT HUMAN COST.

AT THE SAME TIME, HOWEVER, REDUCTIONS MUST BE MADE ... AND, WHERE POSSIBLE, THE BURDEN MUST BE BORNE EQUALLY BY ALL THOSE WHO ARE CAPABLE OF SHARING IT. IN MAKING THESE DECISIONS, OUR PRINCIPLES REMAIN PARAMOUNT: WE BELIEVE THAT THE ROLE OF GOVERNMENT IS TO BE A RESPONSIBLE GUARDIAN OF THE PUBLIC PURSE, AND TO DO FOR CANADIANS THOSE THINGS, AND ONLY THOSE THINGS, WHICH CANADIANS ARE UNABLE TO DO ALONE.

AND THOSE PRINCIPLES, WHICH GUIDE THE DECISIONS OF THIE GOVERNMENT IN SO MANY AREAS, ARE THE PRINCIPLES ON WHICH WE BASE OUR COMMITMENT TO PUBLIC BROADCASTING IN CANADA.

IT WAS THE CONSERVATIVE GOVERNMENT OF R.B. BENNETT WHICH ESTABLISHED PUBLIC BROADCASTING IN CANADA IN 1932. BENNETT'S WORDS AT THE TIME ARE WORTH RECALLING. HE SAID:

"First of all, this country must be assured of complete control of broadcasting from Canadian sources, free from foreign interference or influence. Without such control ... broadcasting can never become a great agency for communication of matters of national concern and for the diffusion of national thought and ideals, and without such control it can never be the agency by which national conciousness may be fostered and sustained and national unity still further strengthened ...

Secondly, no other scheme than that of public ownership can ensure to the people of this country ... equal enjoyment of the benefits and pleasures of ... broadcasting ...

Third ... the use of the air ... is a natural resource (and) I cannot think that any government would be warranted in leaving the air to private exploitation and not reserving it for development for the use of the people."

THREE PRINCIPLES: NATIONAL SOVEREIGNTY, EQUALITY OF ACCESS, AND THE AIRWAVES AS A NATIONAL RESOURCE. THREE PRINCIPLES DEVELOPED AND ENDORSED BY A CONSERVATIVE GOVERNMENT. THREE PRINCIPLES WHICH ARE STILL IN PLACE TODAY. THREE PRINCIPLES WHICH ARE FOUNDED ON OUR ESSENTIAL BELIEFS WITH RESPECT TO THE ROLE OF GOVERNMENT. THREE PRINCIPLES WHICH WILL NOT BE FORSAKEN BY ME OR BY THE OTHER MEMBERS OF OUR GOVERNMENT.

THE COMMITMENT OF OUR GOVERNMENT TO PUBLIC BROADCASTING IS UNSWERVING AND FUNDAMENTAL.

WE BELIEVE, SIMPLY, THAT THE VERY NATURE OF THIS COUNTRY, THE MANY CULTURAL REALITIES THAT MAKE UP ITS DIVERSITY, THE LIMITED POPULATION STRUNG ACROSS A VERY NARROW BAND THROUGH MASSIVE GEOGRAPHY, OUR PARTICULAR RESPONSIBILITY TO OUR NATIVE PEOPLES AND TO CANADIANS LIVING IN THE NORTH AND IN REMOTE AREAS, CONSTITUTES A CASE FOR PUBLIC BROADCASTING IN CANADA THAT ANY GOVERNMENT WHICH IS COMMITTED TO THIS COUNTRY COULD NOT HELP BUT SUPPORT.

AND WHEN, IN CO-OPERATION WITH THE PRESIDENT OF THE CANADIAN BROADCASTING CORPORATION, OUR GOVERNMENT MOVED TO REDUCE THE C.B.C.'S PROPOSED PARLIAMENTARY ALLOCATION, THAT WAS NOT AN INDICATION OF ANY LACK OF COMMITMENT TO OR UNDERSTANDING OF THE IMPORTANCE OF PUBLIC BROADCASTING IN CANADA. IT WAS, SIMPLY STATED, A COOPERATIVE EFFORT BETWEEN THE MANAGEMENT OF THE CANADIAN BROADCASTING CORPORATION AND THE GOVERNMENT OF CANADA TO ENSURE THAT THE C.B.C. PARTICIPATED, AS DID OTHER SIGNIFICANT CROWN CORPORATIONS, IN A GENERAL EFFORT TO SUPPORT THE GOVERNMENT'S OVERALL FISCAL POLICY OF RESTRAINT AND RESPONSIBILITY.

LET NO ONE ATTEMPT TO REPRESENT OTHERWISE: THIS GOVERNMENT INTENDS TO ENSURE THAT PUBLIC BROADCASTING NOT ONLY SURVIVES, BUT PROSPERS, IN THE COMING YEARS ... THAT CANADIAN PUBLIC BROADCASTING, WHICH IS AN INTEGRAL PART OF THE CULTURAL FABRIC OF THIS COUNTRY, CONTINUES TO BE OF IMPORTANCE TO CANADIANS AND CONTINUES TO BE RELEVANT TO THEIR LIVES AS CITIZENS OF THE WORLD OF THE 1980'S AND 90'S.

TO ME, AN EXCELLENT EXAMPLE OF THE VALUE OF PUBLIC BROADCASTING WAS DEMONSTRATED THIS PAST WEEKEND. AS YOU KNOW, THE NATIONAL ECONOMIC SUMMIT WAS HELD IN OTTAWA LAST FRIDAY AND SATURDAY ... AN EVENT, BY THE WAY, WHICH YOUR PRESIDENT ATTENDED. IT WAS A UNIQUE EVENT ... A COMING-TOGETHER OF HUNDREDS OF PEOPLE WITH DIVERSE PROBLEMS AND OPINIONS, ALL OF WHOM HAD AN OPPORTUNITY TO SPEAK DIRECTLY WITH EACH OTHER AND WITH THE PRIME MINISTER AND MEMBERS OF HIS CABINET ... SOMETIMES IN A FORMAL, STRUCTURED FASHION ... AT OTHER TIMES, IN HALLWAYS AND CORRIDORS, AT LUNCH OR OVER DINNER ... BUT ALWAYS, OPENLY AND HONESTLY AND IN AN ATMOSPHERE OF CIVILITY AND SHARED CONCERN.

THE CBC WAS THERE. THE CBC WAS ABLE TO BROADCAST THE EVENT TO THE NATION. AND, THROUGH THE CBC, THE NATION WAS ABLE TO SEE AND HEAR THEIR SPOKESMEN AND THEIR LEADERS DEBATING THE ISSUES OF NATIONAL CONCERN. ONLY A PUBLIC BROADCASTER COULD DO THIS ... COULD DEVOTE HOURS OF VALUABLE TELEVISION TIME TO AN EVENT OF BROAD PUBLIC IMPORTANCE AND ALLOW THE NATION TO SHARE IN THE EXPERIENCE.

THIS IS JUST ONE RECENT EXAMPLE OF THE VALUE TO A NATION LIKE OURS OF HAVING A PUBLIC BROADCASTER. THERE ARE OTHER, ONGOING EXAMPLES. THE TECHNOLOGIES NOW APPARENT IN BROADCASTING ... SUCH THINGS AS CABLE, SATELLITES, VIDEO-CASSETTE RECORDERS ... MAKE A NATIONAL PUBLIC BROADCASTER MORE IMPORTANT THAN EVER. SEVENTY-FIVE PERCENT OF OUR VIEWING TIME IS SPENT WATCHING AMERICAN PROGRAMS ... BUT THAT DOES NOT MEAN THAT WE SHOULD ABANDON OUR COMMITMENT TO AIRING CANADIAN-MADE PROGRAMS ON OUR NATIONAL TELEVISION SERVICE. IN FACT, IT MEANS THAT A PUBLIC, GOVERNMENTAL COMMITMENT TO PROVIDING A CANADIAN ALTERNATIVE IS MORE IMPORTANT THAN EVER. AS PRIVATE BROADCASTERS IN CANADA MUST, INCREASINGLY, STRUGGLE TO REMAIN PROFITABLE IN THE FACE OF NEW COMPETITION AND NEW TECHNOLOGY, WE MUST CONTINUE TO REFLECT THE CANADIAN EXPERIENCE ... CANADIAN HISTORY, DRAMA, MUSIC, DANCE, EVEN POLITICS ... THROUGH THE PUBLIC BROADCASTING SYSTEM, TO AN EXTENT THAT COULD NEVER BE DONE PROFITABLY BY THE PRIVATE SECTOR.

IN THAT RESPECT, AS WELL AS IN MANY OTHERS, I MUST APPLAUD THE DEDICATED PEOPLE WHOSE RESPONSIBILITY IT IS TO SERVE THE CANADIAN BROADCASTING CORPORATION. THE LAST FEW YEARS HAVE BEEN DIFFICULT ONES FOR THE CBC ... AS THE DEMANDS OF THE GOVERNMENT, THE PUBLIC, AND TECHNOLOGY HAVE STEADILY INCREASED, THE LEVEL OF PUBLIC FUNDING PROVIDED TO THE CBC HAS NOT KEPT PACE. NOW, AS THE COUNTRY FINDS ITSELF IN DIFFICULT ECONOMIC CIRCUMSTANCES, THE CBC MUST CONTINUE TO DO MORE WITH LESS.

I CAN FIND NO BETTER WORDS TO DEMONSTRATE THE FAITH THIS GOVERNMENT HOLDS IN THE PRESIDENT OF THE CANADIAN BROADCASTING CORPORATION THROUGH THIS DIFFICULT CHALLENGE THAN TO USE THE WORDS OF OUR PRIME MINISTER, MR. MULRONEY, WHO SAID IN THE HOUSE OF COMMONS LAST NOVEMBER 16TH THAT:

"We have confidence in the management of the CBC.
We propose to allow the CBC to proceed in a manner
very much at arm's length, consistent with its
honourable traditions ... we have a high regard for
Mr. Juneau and his accomplishments. That is a
fact."

LATER THIS AFTERNOON, IT WILL BE MY PLEASURE TO ATTEND A RECEPTION AT TORONTO'S CITY HALL, TO MARK THE PREQUALIFICATION CALL FOR THE NEW TORONTO BROADCAST CENTRE ... A BUILDING IN WHICH, AT LONG LAST, ALL THE CBC'S TORONTO OPERATIONS WILL BE HOUSED UNDER ONE ROOF. THE BROADCAST CENTRE WILL BE A SIGNIFICANT CONTRIBUTION TO IMPROVING THE OPERATIONS OF THE CANADIAN BROADCASTING CORPORATION, AND IT WILL ALSO, I BELIEVE, PROVE TO BE A MAGNIFICENT ADDITION TO WHAT IS ALREADY A MAGNIFICENT CITY, TORONTO.

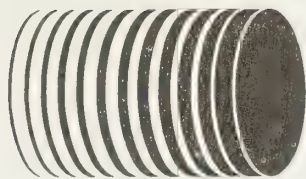
THE TORONTO BROADCAST CENTRE IS A PART OF THE CBC'S FUTURE ... A FUTURE ABOUT WHICH SOME PEOPLE HAVE QUESTIONS OR UNCERTAINTIES. AS I HAVE SAID TODAY, BOTH THE GOVERNMENT AND THE CBC MUST FACE MANY CHALLENGES IN THE COMING MONTHS AND YEARS. THE TAXPAYERS' MONEY MUST BE WELL SPENT ... CANADIAN CULTURE MUST BE WELL-SERVED ... AND THE CANADIAN BROADCASTING CORPORATION MUST, LIKE ALL OTHER BROADCASTERS AND, INDEED, ALL OTHER GOVERNMENT INSTITUTIONS, ADAPT TO NEW REALITIES. MANY PEOPLE HAVE CALLED FOR A REVIEW OF THE MANDATE OF THE CORPORATION, AND THIS WILL BE DONE ... BUT NOT IN ISOLATION.

IT WOULD NOT BE FAIR TO THE CBC OR TO THE CANADIAN PEOPLE WHOM IT SERVES TO LOOK AT THE MANDATE OF THE CBC IN ISOLATION FROM THE MANDATE WE GIVE TO THE REST OF THE BROADCASTING SYSTEM. ALL THE PIECES OF THE SYSTEM ARE INTERRELATED, AND WE MUST THINK VERY CAREFULLY BEFORE WE ADJUST ANY OF THE PARTS. THE ULTIMATE OBJECTIVE MUST BE, AND WILL BE, THAT THE PEOPLE OF CANADA ARE SERVED BY THE USE OF THIS NATIONAL RESOURCE, THE PUBLIC AIRWAVES.

I WILL BE SPEAKING FURTHER IN THE COMING WEEKS ABOUT OUR REVIEW OF CANADIAN BROADCASTING POLICY, AND OF THE PRINCIPLES THAT WILL GUIDE SUCH A REVIEW. BUT THERE ARE SOME PRINCIPLES WHICH ARE CLEAR NOW, AND WHICH WILL REMAIN UNCHANGED ... OUR COMMITMENT TO THE NEED FOR A NATIONAL PUBLIC BROADCASTER, TO THE SERVICE TO THE COUNTRY THAT SUCH A BROADCASTER MUST PROVIDE, AND OUR COMMITMENT TO THIS COUNTRY ITSELF ... A NATION OF DIVERSITY, OF DIFFERING GOALS AND AMBITIONS AND METHODS ... BUT ABOVE ALL, A NATION OF TALENT AND EXPRESSION AND DYNAMISM ... A NATION OF GREATNESS, WHICH NOT ONLY NEEDS, BUT DESERVES, A PUBLIC BROADCASTER EQUAL TO THIS GREATNESS.

I WOULD LIKE ALL CANADIANS TO KNOW THAT, IN DEFENCE OF PUBLIC BROADCASTING, IN DEFENCE OF OUR COLLECTIVE CAPACITY AS A NATION TO COMMUNICATE WITH EACH OTHER, THROUGH PUBLIC INSTRUMENTS THAT PERFORM WITH HONESTY, INTEGRITY, CLARITY, AND INSIGHT ... IN DEFENCE OF THESE INSTRUMENTS THAT HELP US DEFINE WHAT IT MEANS TO BE CANADIAN, THERE IS NO GREATER ALLY THAN THE PRESENT GOVERNEMENT AND ITS MINISTER OF COMMUNICATIONS.

THANK YOU.



COMMUNICATIONS

THE CANADIAN RADIO-TELEVISION

AND COMMUNICATIONS ACT: BILL C-20

NOTES FOR A SPEECH

BY THE HONOURABLE MARCEL MASSE

M.P. FOR FRONTENAC

MINISTER OF COMMUNICATIONS

TO THE HOUSE OF COMMONS

OTTAWA, ONTARIO

JANUARY 31, 1985

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MR. SPEAKER:

AS THE VERITABLE ECONOMIC, INTELLECTUAL AND CULTURAL FRAMEWORK OF THE COUNTRY, OUR NATIONAL TELECOMMUNICATIONS AND BROADCASTING SYSTEM UNQUESTIONABLY CONSTITUTES ONE OF THE STRONGEST TIES THAT BIND CANADIANS TOGETHER.

THIS SYSTEM, WHICH IS UNEQUALLED IN THE WHOLE WORLD, IS ONE OF OUR MOST BRILLIANT ACHIEVEMENTS. IT IS THE EMBODIMENT OF THE PROPHETIC VISION MEN LIKE SIR JOHN A. MACDONALD AND R.B. BENNETT HAD FOR CANADA. IT IS ALSO THE RESULT OF ACTIVE COOPERATION BETWEEN THE PRIVATE AND PUBLIC SECTORS, WHICH TOGETHER HAVE TAKEN ADVANTAGE OF NEW TECHNOLOGIES AND HAVE HARMONIZED THEIR EFFORTS WITH THOSE OF OUR REGULATORY AGENCIES.

BILL C-20, THE BILL TO AMEND THE CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT, THE BROADCASTING ACT AND THE RADIO ACT, MARKS AN IMPORTANT STAGE IN THE EVOLUTION OF CANADIAN TELECOMMUNICATIONS. THE ESSENTIAL PURPOSE OF THIS BILL IS TO CLARIFY AND REGULATE THE SHARING OF POWERS AND TO SEEK A PROPER BALANCE BETWEEN THE GOVERNMENT'S OBJECTIVES AND THOSE OF THE REGULATORY AGENCY AND OUR TELECOMMUNICATIONS SYSTEM.

BEFORE GOING INTO THE DETAILS OF THIS BILL, I WOULD LIKE BRIEFLY TO SITUATE IT IN ITS HISTORICAL CONTEXT AND IN THE PRESENT ENVIRONMENT, PARTICULARLY WITH RESPECT TO TELECOMMUNICATIONS, LEGISLATION AND REGULATORY MEASURES.

CANADA'S BROADCASTING POLICY HAS BEEN EVOLVING CONSTANTLY EVER SINCE THE FIRST RADIO BROADCAST IN 1919. IN THE TWENTIES, THERE WERE SUCH GREAT DEVELOPMENTS IN RADIO BROADCASTING THAT THERE WAS UTTER CONFUSION ON THE AIRWAVES, AND IT BECAME CLEAR THAT A SET OF REGULATIONS HAD TO BE ESTABLISHED. IN 1928, THE FIRST CANADIAN ROYAL COMMISSION ON RADIO BROADCASTING WAS FORMED.

THE ROYAL COMMISSION, CHAIRED BY SIR JOHN AIRD, RECOMMENDED THE ESTABLISHMENT OF A NATIONAL BROADCASTING SYSTEM. THE REPORT WAS SUBMITTED IN 1929 UNDER THE LIBERAL PRIME MINISTER MACKENZIE KING, WHO WAS UNABLE TO ACT ON THE RECOMMENDATIONS BEFORE THE END OF HIS TERM. IT WAS THEREFORE UP TO THE PROGRESSIVE CONSERVATIVE GOVERNMENT OF PRIME MINISTER BENNETT TO ACT, WHICH IT DID BY TABLING THE FIRST CANADIAN LEGISLATION ON RADIO BROADCASTING IN THE HOUSE OF COMMONS.

THE PRIME MINISTER, IN TABLING THE BROADCASTING BILL, SAID, AND I QUOTE :

This country must have absolute control over Canadian broadcasting, without interference or influence from foreigners. Without such control, broadcasting cannot be the vehicle to convey national aspirations and unity. Only state ownership of the system will guarantee the people of this country, without reference to class or locality, equal benefits from broadcasting.

HE WENT ON TO SAY :

It may be that in the future, when science is even further advanced, it will be desirable to make other arrangements.

IT WAS THEREFORE THE PROGRESSIVE CONSERVATIVE GOVERNMENT OF R.B. BENNETT WHICH ESTABLISHED THE PREDECESSOR OF THE CBC, WHICH WAS AT THAT TIME THE CANADIAN BROADCASTING COMMISSION.

WHEN THE CONSERVATIVES TOOK OFFICE IN 1957, THEY REALIZED THAT THE BROADCASTING ACT, WHICH DATED BACK TO THE PREVIOUS CONSERVATIVE ADMINISTRATION OF MR. BENNETT, WAS ALREADY 22 YEARS OLD AND NO LONGER MET CURRENT NEEDS. THE PRIVATE SECTOR HAD EXPANDED CONSIDERABLY AND WAS ANXIOUS TO PLAY A LARGER ROLE IN THE DEVELOPING BROADCASTING SYSTEM. THE PUBLIC SECTOR, WHICH WAS ACTING AS BOTH REGULATORY AGENCY AND BROADCASTER, WAS IN A POSITION TO REGULATE ITS OWN COMPETITORS. SUCH A BLATANT CONFLICT OF INTEREST COULD NOT BE PERPETUATED.

THE DIEFENBAKER GOVERNMENT THEREFORE TOOK STEPS WHICH LEFT THEIR MARK ON ALL OF THE LATER EVOLUTION OF BROADCASTING POLICY. IT INTRODUCED A PIECE OF LEGISLATION WHICH, FOR THE FIRST TIME, MADE A CLEAR-CUT DISTINCTION BETWEEN THE REGULATORY AND BROADCASTING FUNCTIONS. IT ESTABLISHED THE BOARD OF BROADCAST GOVERNORS, THE ANCESTOR OF TODAY'S CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION, THE CRTC.

AS FOR THE CRTC, IT WAS SET UP IN TWO STAGES: FIRST, THE CANADIAN RADIO-TELEVISION COMMISSION WAS CREATED BY PARLIAMENT IN 1968 UNDER THE BROADCASTING ACT; IT REPLACED THE BOARD OF BROADCAST GOVERNORS. SECONDLY, THE RESPONSIBILITY FOR REGULATING TELECOMMUNICATIONS WAS TRANSFERRED FROM THE CANADIAN TRANSPORT COMMISSION TO THE CANADIAN RADIO-TELEVISION COMMISSION IN 1976, UNDER THE RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT.

THE COMMISSION'S MAJOR RESPONSIBILITY IS TO REGULATE AND SUPERVISE ALL ASPECTS OF THE CANADIAN BROADCASTING SYSTEM FOR THE PURPOSE OF IMPLEMENTING THE BROADCASTING POLICY STATED IN SECTION 3 OF THE ACT. SECTION 3 STATES, AMONG OTHER THINGS, AND I QUOTE:

- the objectives of the broadcasting policy for Canada... can best be achieved by providing for the regulation and supervision of the Canadian broadcasting system by a single independent public authority.

SINCE THE SECOND WORLD WAR, TELECOMMUNICATIONS TECHNOLOGY HAS UNDERGONE CONSTANT AND MAJOR CHANGES IN EVERY RESPECT. PARTICULARLY BECAUSE OF RECENT ADVANCEMENTS IN COMPUTER TECHNOLOGY, WE HAVE SEEN DIGITALIZATION AND INTERCONNECTION BRING FAR-REACHING CHANGES TO OUR TELEPHONE NETWORKS, AT A TIME WHEN THE TELEPHONE, TELEGRAPH AND COMPUTER INDUSTRIES ARE OPENING UP TO COMPETITION. TECHNOLOGICAL PROGRESS HAS BEEN SUCH THAT THE TRADITIONAL DIFFERENCES BETWEEN THESE SERVICES HAVE BEEN VIRTUALLY ERASED. IN THE MEANTIME, CANADIANS, FORESEEING THE NEW HORIZONS THE NEW TECHNOLOGIES WILL OPEN UP, HAVE BEEN REQUESTING INCREASED SERVICES, AT AFFORDABLE PRICES, OF COURSE.

IF THE ARRAY OF NEW COMPUTER TECHNOLOGIES CAN, ON THE ONE HAND, HELP US REACH OUR OBJECTIVES WITH RESPECT TO TELECOMMUNICATIONS, WHETHER IT BE THE ASSERTION OF OUR CANADIAN IDENTITY AND CULTURAL TRAITS, THE UNIFICATION OF THE COUNTRY, A GREATER OPENING TO THE WORLD, OR CLOSER LINKS WITH OUR REMOTE COMMUNITIES, IT DOES, ON THE OTHER HAND, PRESENT A MAJOR CHALLENGE TO LEGISLATORS AND REGULATORY AGENCIES, PARTICULARLY -- BECAUSE IT IS THEIR RESPONSIBILITY -- THE CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION.

OUR LEGISLATIVE AND REGULATORY MECHANISM, THE ESSENTIAL PART OF WHICH WAS IMPLEMENTED MORE THAN 17 YEARS AGO, COULD NOT FORESEE THE CURRENT TECHNOLOGICAL UPHEAVALS. CLEARLY IT IS OUTDATED AS TO THE CULTURAL, ECONOMIC AND SOCIAL POTENTIAL OF TODAY'S HIGH TECHNOLOGIES. IF WE DO NOT WISH IT TO BECOME A BARRIER TO ECONOMIC GROWTH, TECHNOLOGICAL INNOVATION, AND CULTURAL DEVELOPMENT, WE MUST AT ALL COSTS BRING IT IN LINE WITH TODAY'S REALITIES, WHETHER IT IS DEREGULATION IN THE UNITED STATES AND ITS IMPACT ON CANADA, OR THE SPECTACULAR DEVELOPMENTS IN SATELLITE SERVICES. IN THE AREA OF TELECOMMUNICATIONS AND BROADCASTING, THE TIME FOR A CHANGE IS HERE.

AS MY COLLEAGUE, THE MINISTER OF FINANCE, INDICATED IN HIS ECONOMIC STATEMENT LAST NOVEMBER 8, AND I QUOTE:

There is a clear need for a national telecommunications policy, to take advantage of the opportunities presented by rapidly advancing technology and the growing demand by Canadians for new telecommunications services.

WHY IS THIS? BECAUSE, AS THE MINISTER OF FINANCE EXPLAINED, THE TELECOMMUNICATIONS SECTOR, PERHAPS MORE THAN ANY OTHER IN CANADA AT THE PRESENT TIME, POSSESSES THE MEANS FOR CONSIDERABLE MARKET-DRIVEN INNOVATION, IF GOVERNMENTS' REGULATORY INTERVENTIONS ARE KEPT TO AN ESSENTIAL MINIMUM. IN SHORT, BY REGULATORY REFORM, GOVERNMENT CAN SPUR INNOVATION AND PROVIDE A MAJOR STIMULUS TO THIS SECTOR OF THE CANADIAN ECONOMY.

IN EFFECT, DEREGULATION WILL NOT BRING SAVAGE COMPETITION TO CANADA, BECAUSE IT IS OUR FIRM INTENTION TO PROCEED GRADUALLY AND CAREFULLY. BUT ISN'T THE TELEPHONE SYSTEM AN AREA WHERE COMPETITION IS IN FACT ALREADY PROVING ITS USEFULNESS? SINCE THE 1950'S, CANADIANS HAVE ENJOYED THE BENEFITS OF COMPETITIVE DEVELOPMENT BY CN-CP TELECOMMUNICATIONS AND TELEPHONE COMPANIES OF ULTRAHIGH FREQUENCY FACILITIES.

AS FAR AS TERMINALS ARE CONCERNED, CONSUMERS AND BUSINESSES HAVE HAD THE OPTION SINCE 1980 TO CHOOSE TO PURCHASE THEIR EQUIPMENT FROM A GREAT VARIETY OF SUPPLIERS OR TO RENT IT FROM THEIR LOCAL TELEPHONE COMPANY. FOR SUBSCRIBERS, THIS COMPETITION MEANS A MUCH GREATER CHOICE OF SETS, LOWER PRICES AND A MULTITUDE OF NEW IDEAS IN PHONE DESIGN. AS FOR SWITCHED SERVICES, CN-CP TELECOMMUNICATIONS OBTAINED THE RIGHT IN 1979 TO SET UP AN INTERCONNECTION WITH THE BELL TELEPHONE SYSTEM, THUS ALLOWING THEM TO PROVIDE THIS TYPE OF SERVICE, PARTICULARLY FOR DATA TRANSMISSION. IN 1981, THIS INTERCONNECTION RIGHT WAS EXTENDED TO BRITISH COLUMBIA TELEPHONE. THE CRTC HAS JUST CONCLUDED A SERIES OF PUBLIC HEARINGS CONCERNING A REQUEST BY CN-CP TO INTERCONNECT WITH BELL AND BC TELEPHONE TO PROVIDE LONG DISTANCE TELEPHONE SERVICES TO THE PUBLIC. FACED WITH THESE INCREASING PRESSURES AND TO ALLOW MORE COMPETITION IN A SECTOR WHICH HAS TRADITIONALLY BEEN VERY STRICTLY REGULATED, THE GOVERNMENT HAS UNDERTAKEN TO REVIEW ITS TELECOMMUNICATIONS POLICY IN 1985 AND IS PRESENTLY LOOKING AT THE STATE OF COMPETITION IN THIS FIELD.

ANOTHER EXAMPLE OF A REGULATED SECTOR IS THAT OF SATELLITE SIGNALS. SINCE 1983, INDIVIDUALS NO LONGER REQUIRE A RADIO LICENCE TO USE A DISH ANTENNA TO RECEIVE PROGRAMS WHICH ARE NOT RETRANSMITTED. PROVIDED THEY DO NOT REDISTRIBUTE THE SIGNALS, TAVERNS AND HOTEL BARS CAN ALSO USE A DISH ANTENNA WITHOUT HAVING TO APPLY FOR A RADIO BROADCASTING LICENCE.

ON DECEMBER 20, 1984, I ANNOUNCED A REVAMPING OF THE REGULATORY POLICY FOR SATELLITE SIGNALS TO BENEFIT SMALL TELEVISION BROADCASTING SYSTEMS AND HELP BADLY SERVED COMMUNITIES GAIN ACCESS TO A GREATER VARIETY OF PROGRAMS. IN ADDITION TO HELPING THE TELEVISION BROADCASTING INDUSTRY AND INTERESTED CONSUMERS, THIS INITIATIVE WILL MAKE THE CANADIAN TELEVISION BROADCASTING SYSTEM STRONGER AND MORE FLEXIBLE.

AS FOR OUR COMMITMENT TO CONTINUE TO REGULATE WHERE NECESSARY, A GOOD EXAMPLE OF THIS CAN BE FOUND IN THE MEASURES I WILL INTRODUCE TO PROVIDE THE CRTC WITH THE NECESSARY POWER TO CONTROL ABUSIVE PROGRAMMING. I SHALL SPEAK FURTHER ON THIS QUESTION IN A FEW MOMENTS.

THERE WILL BE TWO UNDERLYING PRINCIPLES TO OUR TELECOMMUNICATIONS POLICY: FIRST, CONSULTATION WITH ALL INTERESTED PARTIES WILL BE THE RULE. BY DOING THIS, WE WILL BE INAUGURATING A NEW ERA WITH REGARD TO THE WAY IN WHICH OUR COUNTRY'S TELECOMMUNICATIONS POLICY WILL BE DEVELOPED IN THE FUTURE. THESE CONSULTATIONS ARE NECESSARY BECAUSE, TO PARAPHRASE MONTESQUIEU, "THE SPIRIT OF THE LAW DEPENDS ON WHETHER YOU LIVE BEFORE OR BEYOND THE MOUNTAINS."

SECONDLY, IN ALL CASES WHERE DEREGULATION WILL NOT BE PREJUDICIAL TO THE INTERESTS OF CANADIAN CONSUMERS, WE WILL DEREGULATE.

THE BILL WHICH WE HAVE SUBMITTED FOR YOUR CONSIDERATION IS THEREFORE THE FIRST STAGE OF A BASIC REVIEW OF THE LEGISLATIVE AND REGULATORY FRAMEWORK OF OUR TELECOMMUNICATIONS SYSTEM. ITS PASSAGE IS OF THE HIGHEST IMPORTANCE IF THE GOVERNMENT IS TO HAVE THE POWERS IT NEEDS TO MAKE REGULATION MORE FLEXIBLE OR, IN THE CASE OF SERVICES WHICH LEND THEMSELVES TO FREE COMPETITION, TO DEREGULATE, ALTHOUGH REGULATED COMPETITION IS, OF COURSE, ALSO POSSIBLE. THIS BILL IS IN EFFECT A GENERAL FRAMEWORK WHICH WILL ALLOW US TO IMPLEMENT THE REFORMS NECESSARY TO THE RESHAPING OF OUR TELECOMMUNICATIONS POLICY.

LET US CONSIDER NOW THE MAIN PROVISIONS OF THE BILL.

PART 1 OF THE BILL AMENDS THE CRTC ACT TO ENABLE THE GOVERNOR IN COUNCIL TO GIVE BINDING DIRECTIVES IN MATTERS OF POLICY. THESE DIRECTIVES WOULD BE LAID BEFORE PARLIAMENT, WHICH WOULD HAVE THE OPPORTUNITY TO TAKE THEM UNDER ADVISEMENT BEFORE THEY ARE FORMALLY PUT INTO EFFECT.

ALTHOUGH THE 1968 LEGISLATION SETTING UP THE CRTC DID NOT GENERALLY GRANT THIS POWER TO THE GOVERNMENT, I THINK IT IS NECESSARY TODAY TO SPECIFY THAT THE GOVERNMENT AND NOT THE CRTC SHOULD DEVELOP BROADCASTING AND TELECOMMUNICATIONS POLICIES. THAT POSITION IS SUPPORTED BY THE PROVINCES, THE INDUSTRY AND THE COMMISSION ITSELF. MOREOVER, IT WAS RATIFIED IN 1979 BY THE LAMBERT COMMISSION, ONE OF WHOSE SPECIFIC RECOMMENDATIONS WAS, AND I QUOTE :

The constituent acts of Independent Deciding and Advisory bodies contain provisions allowing for policy directives from the Governor in Council.

THIS PRINCIPLE WAS ALSO SUPPORTED IN 1980 BY THE SPECIAL PARLIAMENTARY COMMITTEE OF THE HOUSE OF COMMONS ON REGULATORY REFORM, IN THE FOLLOWING TERMS :

-that cabinet can issue binding policy directives... to the Canadian Radio-television and Telecommunications Commission.

THE RELATION BETWEEN THE GOVERNMENT AND THE COMMISSION HAS BEEN UNDER REVIEW FOR MANY YEARS. IF THERE IS ONE ASPECT THAT THE REVIEW AND PUBLIC DEBATE HAVE BROUGHT TO LIGHT, IT IS THAT THE GOVERNMENT SHOULD BE RESPONSIBLE TO ESTABLISH POLICY AND THAT THE CRTC SHOULD BE IN CHARGE OF ITS IMPLEMENTATION WITHIN THE LEGISLATIVE FRAMEWORK SET UP BY PARLIAMENT. THE DIVISION OF POWERS BETWEEN THE GOVERNMENT AND THE CANADIAN RADIO-TELEVISION TELECOMMUNICATIONS COMMISSION REFLECTS THE DEMOCRATIC PRINCIPLE THAT THE GOVERNMENT ALONE IS ENTITLED TO DEVELOP THE MAIN POLICIES OF THE COUNTRY BECAUSE OF ITS ACCOUNTABILITY TO THE ELECTORATE THROUGH PARLIAMENT.

IF THE GOVERNMENT HAD THE POWER TO GIVE FORMAL DIRECTIVES TO THE CRTC, IT COULD THEN IMPLEMENT ITS POLICY IN THE AREAS OF TELECOMMUNICATIONS AND BROADCASTING. IF IT DID NOT HAVE THAT POWER, IT COULD HAVE NO INFLUENCE ON THE DEVELOPMENT OF POLICY AND CONSEQUENTLY COULD NOT BE CALLED TO ACCOUNT. AS IN THE PRESENT LEGISLATION, IT COULD ONLY REACT AFTER THE FACT, BY APPEAL, CASE BY CASE, TO SPECIFIC DECISIONS MADE BY THE CRTC.

BUT, AS CARDINAL RICHELIEU SO APTLY SAID, AND I QUOTE :

Thus, Ministers of the State should frequently call to mind ...
that it is more important to consider the future than the present,
and that it is easier to anticipate problems than to wait until
they have arisen to deal with them.

I STRONGLY BELIEVE THAT BY MAKING THE GOVERNMENT ACCOUNTABLE FOR POLICY BEFORE PARLIAMENT, WE WILL ELIMINATE CERTAIN AMBIGUITIES SUCH AS IN THE CASE OF PARABOLIC ANTENNAS, AMBIGUITIES WHICH CREATE MAJOR OBSTACLES TO THE DYNAMIC DEVELOPMENT OF THE SECTOR WE ARE DISCUSSING.

IN MY OPINION, THE GOVERNMENT MUST IMPLEMENT MEASURES DESIGNED TO ENCOURAGE AND HELP CANADIANS TO TAKE RISKS AND BECOME COMPETITIVE IN MANUFACTURING TELECOMMUNICATIONS EQUIPMENT, PRODUCING TELEVISION PROGRAMS AND PERFECTING THE MANY PRODUCTS REQUIRED BY THE NEW COMMUNICATIONS ENVIRONMENT. THE RESPONSIBILITY OF THE GOVERNMENT TO PROVIDE A CLIMATE FAVOURABLE TO SUCH GROWTH GOES HAND IN HAND WITH ITS ACCOUNTABILITY TO PARLIAMENT.

PART I OF THIS BILL ALSO ADDS TO THE CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT SUBSECTION 14.6, WHICH ENABLES THE GOVERNOR IN COUNCIL TO DIRECT THE COMMISSION TO DEREGULATE THOSE TELECOMMUNICATIONS SERVICES WHICH CAN BE PROVIDED ON A COMPETITIVE BASIS. INVESTED WITH THIS AUTHORITY, THE GOVERNMENT WILL BE ABLE TO DECIDE WHETHER IT IS IN THE PUBLIC INTEREST NOT TO REGULATE A NUMBER OF TELECOMMUNICATIONS SERVICES WITHIN A MONOPOLISTIC STRUCTURE BECAUSE OF THE COMPETITIVE CHARACTER OF THE MARKET. I HAVE IN MIND, FOR INSTANCE, CELLULAR MOBILE RADIO TELEPHONES. THE NATURE OF THIS TECHNOLOGY IS SUCH THAT THESE SERVICES COULD BE PROVIDED BY COMPETITIVE ENTERPRISES. IT WOULD THEREFORE BE THEREFORE ILLOGICAL TO REGULATE, FOLLOWING MONOPOLISTIC PRINCIPLES, SERVICES SUCH AS THESE WHICH LEND THEMSELVES TO A MORE COMPETITIVE SYSTEM.

PART I PROVIDES ALSO THAT THE GOVERNOR IN COUNCIL MAY ORDER A DEREGULATION IF HE IS OF THE OPINION THAT A TELECOMMUNICATIONS SERVICE IS OR WILL BE SUBJECT TO A DEGREE OF COMPETITION SUFFICIENT TO ENSURE JUST AND REASONABLE TOLLS, RATES OR CHARGES.

MR. SPEAKER, I COULD NOT OVEREMPHASIZE THE FACT THAT, IN OUR MIND, THE POWER TO DEREGULATE SHOULD ALWAYS BE USED WITH GREAT DISCERNMENT. THE GOVERNMENT WOULD FIRST HAVE TO BE CONVINCED THAT SUCH A MEASURE WOULD BE JUSTIFIED BEFORE ORDERING THE CRTC TO IMPLEMENT IT.

MR. SPEAKER, I WOULD LIKE TO INDICATE TO ALL THE HONOURABLE MEMBERS THAT EVEN WHILE PROPOSING THE POWER TO ISSUE DIRECTIVES AND THE POWER TO ORDER DEREGULATION, THE GOVERNMENT REMAINS AWARE OF THE NEED TO PREVENT ABUSES. I WOULD LIKE TO REMIND THEM THAT THIS BILL CONTAINS FOUR SAFEGUARDS TO THIS END: FIRST, UNDER THE CANADIAN CHARTER OF RIGHTS AND FREEDOMS, THE GOVERNMENT WILL NOT BE ABLE TO ISSUE DIRECTIVES LIMITING FREEDOM OF SPEECH; SECOND, THE BILL SPECIFICALLY PROHIBITS THE GOVERNMENT FROM ISSUING DIRECTIVES CONCERNING THE ISSUANCE OF A BROADCASTING LICENCE TO A PARTICULAR PERSON, OR THE AMENDMENT OR RENEWAL OF A LICENCE; THIRD, THE MINISTER OF COMMUNICATIONS MUST CONSULT WITH THE CRTC BEFORE DIRECTIVES ARE ISSUED BY THE GOVERNMENT TO THE COMMISSION; FOURTH, TO ALLOW FOR PARLIAMENTARY AND PUBLIC CONSIDERATION OF THE DIRECTIVES, IT IS PROVIDED THAT SUCH DIRECTIVES MUST BE LAID BEFORE PARLIAMENT AND REFERRED TO THE APPROPRIATE COMMITTEE, AND THAT THEY WILL NOT BECOME EFFECTIVE UNTIL THIRTY DAYS AFTER PARLIAMENT WAS NOTIFIED. THIS MEASURE WILL ENABLE PARLIAMENT AND THE CANADIAN PUBLIC TO CONSIDER CAREFULLY ALL DIRECTIVES BEFORE THEY COME INTO EFFECT.

PARLIAMENT HAS A MAJOR ROLE TO PLAY IN HOLDING THE GOVERNMENT ACCOUNTABLE FOR ITS POLICIES AND FACILITATING PUBLIC PARTICIPATION IN THE DEBATE. I THINK PARLIAMENTARY COMMITTEES ARE THE KEY TO ENSURING GOVERNMENT ACCOUNTABILITY. COMMITTEES CAN SUMMON WITNESSES, INCLUDING MINISTERS OF THE CROWN, AND ASK FOR ANY CLARIFICATIONS, EXPLANATIONS OR GUARANTEES DEEMED NECESSARY. THEY PROVIDE AN EXCELLENT FORUM FOR CANADIANS TO MAKE THEIR VIEWS ON OFFICIAL POLICY KNOWN TO THEIR ELECTED REPRESENTATIVES. I AM CONVINCED THAT THE SAFEGUARDS PROVIDED BY THE BILL REGARDING THE POWER TO ISSUE DIRECTIVES AND THE POWER TO ORDER DEREGULATION ENSURE THAT THE GOVERNMENT WILL REMAIN ACCOUNTABLE, AND PROMOTE HEALTHY AND ACTIVE INVOLVEMENT BY ALL CANADIANS.

PART II OF THE BILL PROVIDES FOR A NEW POLICY OBJECTIVE THAT WILL BECOME PART OF SECTION 3 OF THE BROADCASTING ACT. THIS OBJECTIVE CONCERNS PROGRAMMING OF AN ABUSIVE NATURE, AND ITS PURPOSE IS TO DEFINE THE CRTC'S RESPONSIBILITY IN THIS RESPECT. IT WILL ALSO HELP MAKE BROADCASTERS PAY MORE AND MORE ATTENTION TO THIS PROBLEM. HERE IS THE WORDING :

"The programming provided by the Canadian broadcasting system should respect and promote the equality and dignity of all individuals, groups or classes of individuals regardless of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability."

I THINK IT IMPERATIVE TO PASS LEGISLATION TO MAKE ABSOLUTELY SURE THAT THERE IS NO PLACE FOR ABUSIVE PROGRAMS WITHIN THE CANADIAN BROADCASTING SYSTEM. THE SPEECH FROM THE THRONE REAFFIRMED THE GOVERNMENT'S COMMITMENT TO ENSURE THAT SOCIAL JUSTICE IN CANADA WOULD PROGRESS AT THE SAME PACE AS THE NEEDS OF CANADIANS. IT ALSO SPOKE OF THE PRESENT MEASURE AIMED AT ELIMINATING ABUSIVE PROGRAMS.

IN ITS REPORT OF JUNE 1984, THE PARLIAMENTARY SUB-COMMITTEE ON SEXUALLY ABUSIVE PROGRAMMING RECOMMENDED ADDING TO SECTION 3 OF THE BROADCASTING ACT A PROVISION STATING THAT PROGRAMS MUST EXPRESS THE RIGHT OF WOMEN TO EQUALITY. I MIGHT POINT OUT THAT, BESIDES GUARANTEEING THE EQUALITY AND DIGNITY OF WOMEN, THIS LEGISLATION IS AIMED AT PREVENTING ALL POSSIBLE ABUSIVE DEPICTIONS WITH RESPECT TO RACIAL, NATIONAL OR ETHNIC ORIGIN, OR COLOUR, RELIGION, AGE OR MENTAL OR PHYSICAL DISABILITY.

PARTS II AND III OF THE BILL CONTAIN OTHER AMENDMENTS TO THE BROADCASTING ACT AND THE RADIO ACT WHOSE PURPOSE IS TO CLARIFY AND SIMPLIFY THE REGULATORY PROCESS. SINCE IN SOME CASES THE LEGISLATIVE PROVISIONS OF THOSE TWO ACTS ARE DEFINITELY OUTDATED, THEY MUST BE AMENDED TO TAKE RECENT DEVELOPMENTS INTO ACCOUNT.

FOR INSTANCE, IN THE LOUNT CASE INVOLVING WINNIPEG'S HOLIDAY INN, THE FEDERAL COURT RULED THAT THE CURRENT WORDING OF THE BROADCASTING ACT AND THE RADIO ACT WAS DEFICIENT AND MUST BE AMENDED SO AS TO DEFINE THE STATUS OF THOSE SYSTEMS WHICH REDISTRIBUTE SPECIAL SIGNALS, PARTICULARLY IN THE CASE OF HOTELS AND HIGH-RISE BUILDINGS. CLAUSES 2 AND 7 OF THIS BILL ARE INTENDED TO CORRECT THAT ANOMALY. THEY ARE VERY TECHNICAL PRECISELY BECAUSE THEY WILL ELIMINATE A DISCREPANCY OF THIS TYPE IN THE LEGISLATION.

CLAUSE 2, FOR INSTANCE, WHICH AMENDS THE BROADCASTING ACT, STIPULATES THAT ANY PERSON WHO TRANSMITS OR DISTRIBUTES BY MEANS OF TELECOMMUNICATIONS, OTHERWISE THAN SOLELY AS A TELECOMMUNICATIONS COMMON CARRIER, WITH OR WITHOUT CONSIDERATION, ANY PROGRAMMING RECEIVED BY RADIOCOMMUNICATION, IS DEEMED TO BE CARRYING ON A BROADCASTING UNDERTAKING. THIS MEANS THAT INDIVIDUALS WHO REDISTRIBUTE SATELLITE SIGNALS WILL BE SUBJECTED TO THE BROADCASTING ACT. SIMILARLY, CLAUSE 7 BRINGS THE RADIO ACT INTO ACCORD WITH THE BROADCASTING ACT BY TAKING THIS AMENDMENT INTO ACCOUNT. THESE MEASURES WILL PERMIT THE GOVERNMENT AND THE CRTC TO IMPLEMENT THE SATELLITE SIGNALS POLICY WHICH I ANNOUNCED ON DECEMBER 20, 1984.

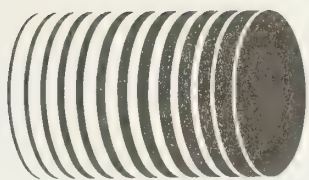
PART II OF THIS BILL ALSO PROVIDES AMENDMENTS TO THE BROADCASTING ACT TO ELIMINATE FACTORS PREVENTING THE REGULATORY SYSTEM FROM BEING MORE EFFECTIVE AND COST-EFFICIENT. TO THAT END, IT IS PROPOSED IN CLAUSE 5, AND I QUOTE :

First, to extend from five to seven years the maximum term of a broadcasting licence. This will give broadcasters an incentive to improve on their performance, in return for longer licence terms, and this will help reduce the regulatory burden.

Second, to increase the CRTC's power to exempt people from the requirement that they hold broadcasting licences. This will reduce the regulatory burden imposed by the Commission in cases where it is neither useful nor necessary to issue licences.

IN CLOSING, MR. SPEAKER I WOULD LIKE TO RECALL THE MAJOR CHALLENGE PUT FORTH BY THE MINISTER OF FINANCE IN HIS ECONOMIC STATEMENT. HE INVITED US TO DO NOTHING MORE OR LESS THAN TO REDEFINE THE ROLE OF GOVERNMENT, WHICH SHOULD BE FIRST AND FOREMOST TO BRING ABOUT A CLIMATE FAVOURABLE TO THE ECONOMIC GROWTH WHICH ALONE WILL ENABLE US TO CREATE JOBS, PROMOTE INNOVATION AND BE PREPARED TO DEAL WITH THE CHANGES TO COME.

THE LEGISLATION NOW BEING CONSIDERED MOVES US IN THAT DIRECTION BY GIVING THE GOVERNMENT THE POWER TO INSTRUCT THE CRTC TO ORDER THE DEREGULATION OF CERTAIN SERVICES IF NECESSARY. THIS BILL WILL STIMULATE AND ENERGIZE THE TELECOMMUNICATIONS AND BROADCASTING SECTOR FOR THE BENEFIT OF CANADIANS EVERYWHERE. THOSE INVOLVED IN BROADCASTING AND TELECOMMUNICATIONS WILL DOUBTLESSLY RESPOND TO THIS OPPORTUNITY WITH IMAGINATION AND INNOVATION IN THE PROVISION OF THOSE SERVICES THAT WOULD BENEFIT FROM DEREGULATION. THE NEW DIRECTIONS WE ARE PROPOSING WILL ALSO HELP US REACH OUR MAJOR FUTURE OBJECTIVES IN THE AREAS OF TELECOMMUNICATIONS AND BROADCASTING.



COMMUNICATIONS

INTERNATIONAL FILM AND TELEVISION CENTRE:
FEASIBILITY STUDY

"You Canadians should make your own films
and exchange them with those of other countries.
You can make them just as well ..."

D.W. Griffith

NOTES FOR A SPEECH
BY THE HONOURABLE MARCEL MASSE
M.P. FOR FRONTENAC
MINISTER OF COMMUNICATIONS
AT THE PRESS CONFERENCE
CONCERNING THE CENTRE

QUEBEC, QUEBEC
DECEMBER 17, 1984

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LADIES AND GENTLEMEN:

IT GIVES ME GREAT PLEASURE TO BE HERE WITH MY QUEBEC COUNTERPART,
MR. CLÉMENT RICHARD, MINISTER OF CULTURAL AFFAIRS, TO LAUNCH A FEASIBILITY STUDY
FOR THE INTERNATIONAL FILM AND TELEVISION CENTRE.

THIS STUDY REPRESENTS A FRESH START FOR A PROJECT THAT WILL PROMOTE THE
PRODUCTION OF DISTINCTIVELY CANADIAN AND QUEBEC FILMS AND TELEVISION PROGRAMS OF
HIGH TECHNICAL AND ARTISTIC QUALITY. ONE OF THE MOST IMPORTANT MANDATES OF THE
CENTRE WILL BE TO STIMULATE AND STRENGTHEN THE ENTIRE PRODUCTION INDUSTRY IN
MONTREAL, THROUGHOUT QUEBEC AND IN THE REST OF CANADA.

AS LONG AGO AS 1925, THE GREAT AMERICAN FILM-MAKER, D.W. GRIFFITH, SAID:

"You Canadians should make your own films and exchange
them with those of other countries. You can make them
just as well ..."

WE HAVE MADE ENORMOUS PROGRESS SINCE THAT TIME; INDEED, WE HAVE TAKEN SOME GIANT
STEPS. BUT THIS IS NOT ENOUGH. IT IS TIME TO PROVIDE OUR ARTISTS AND
FILM-MAKERS WITH BETTER RESOURCES TO MAKE THEM COMPETITIVE AND ENABLE THEM TO
ASSUME THEIR RIGHTFUL PLACE ALONGSIDE THOSE OF THE REST OF THE WORLD.

THE IDEA OF A FILM CENTRE IN MONTREAL IS NOT NEW. A FOCAL POINT BETWEEN EUROPE
AND NORTH AMERICA AND A CULTURAL METROPOLIS, MONTREAL ENJOYS A RICH TRADITION IN
THE FIELD OF FILM AND TELEVISION, PARTICULARLY IN FRENCH, AND IS IN AN IDEAL
POSITION TO ACCOMMODATE A FILM CENTRE OF INTERNATIONAL STANDING.

THE CONCEPT AND SITE OF THE CENTRE AND THE SERVICES IT IS TO PROVIDE HAVE BEEN
DISCUSSED SINCE 1979 BY PRODUCERS, TECHNICIANS, FILM-MAKERS AND INTERNATIONAL
FESTIVAL DIRECTORS, AS WELL AS BY THE MAYOR OF MONTREAL AND REPRESENTATIVES OF
THE QUEBEC AND CANADIAN GOVERNMENTS.

THE CENTRE'S MANAGEMENT CORPORATION (LA SOCIÉTÉ DE GESTION DE LA CITÉ INTERNATIONALE DU CINÉMA ET DE L'AUDIO-VISUEL DE MONTRÉAL INC.) AND THE GOVERNMENT OF CANADA CARRIED OUT A NUMBER OF PRELIMINARY STUDIES IN 1983 AND 1984.

THE ESTABLISHMENT OF A FILM CENTRE IN MONTREAL COMPLEMENTS THE VARIOUS INITIATIVES UNDERTAKEN IN THE FILM AND BROADCASTING FIELDS IN THE PAST. IN MARCH 1983, A CANADIAN BROADCAST PROGRAM DEVELOPMENT FUND WAS CREATED WHICH COULD INJECT OVER \$100 MILLION INTO PROGRAM PRODUCTION IN QUEBEC OVER THE YEARS 1984 TO 1988. THE NATIONAL FILM AND VIDEO POLICY WAS LAUNCHED IN MAY 1984 AND WAS AIMED AT BOTH THE PUBLIC AND PRIVATE SECTORS.

AS FAR AS THE PUBLIC SECTOR WAS CONCERNED, THE AIM WAS TO REDEFINE THE ROLE OF THE NATIONAL FILM BOARD (NFB). AS FOR THE PRIVATE SECTOR, THE POLICY ENVISIONED INCREASED SUPPORT TO THE FILM AND TELEVISION PRODUCTION INDUSTRY.

MODIFYING THE POLICIES WILL NOT BE ENOUGH TO ENSURE THAT A FILM CENTRE IS ESTABLISHED. AS I SAID LAST WEEK IN A SPEECH ON BROADCASTING: "WE MUST ALSO REVIEW THE WAY IN WHICH WE DEVELOP THESE POLICIES." THIS APPLIES EQUALLY TO FILM PRODUCTION. FOR MONTHS, NO PROGRESS WAS MADE IN NEGOTIATIONS BETWEEN QUEBEC AND THE LIBERAL GOVERNMENT IN OTTAWA. HOWEVER, SINCE I BEGAN MY DISCUSSIONS WITH MR. RICHARD, STARTING WITH OUR MEETING ON SEPTEMBER 25, 1984, THE CLIMATE HAS IMPROVED A GREAT DEAL.

SINCE I TOOK OFFICE, A SPIRIT OF CONSULTATION AND CO-OPERATION HAS BEEN EVIDENT THROUGHOUT THE DISCUSSIONS THAT I HAVE HAD WITH MR. RICHARD. AND THE FILM CENTRE PROJECT, SO OFTEN PROMISED OVER THE YEARS AND SO OFTEN POSTPONED BECAUSE OF CONTROVERSIES, IS NOW ONCE AGAIN TO BECOME A REALITY.

TO ACHIEVE THIS, OUR INITIATIVES MUST BE PLANNED EFFECTIVELY. THIS IS THE PURPOSE OF THE STUDY WE HAVE COMMISSIONED BY A CONSORTIUM HEADED BY SECOR INC. OF MONTREAL. SECOR WILL BE THE PRIME CONTRACTOR FOR THE STUDY. MR. RICHARD AND I WILL ENSURE THAT IT IS PROPERLY COMPLETED IN KEEPING WITH THE SPIRIT OF CO-OPERATION THAT HAS BEEN THE MARK OF OUR RELATIONS. THE DIALOGUE THAT WAS INITIATED HAS ENABLED US TO REDEFINE THE OBJECTIVES AND IMPLEMENTATION CRITERIA FOR THE FILM CENTRE PROJECT IN ORDER TO MEET THE INDUSTRY'S REQUIREMENTS MORE EFFECTIVELY. WE WORKED TOGETHER IN DRAWING UP THE MANDATE FOR THE FEASIBILITY STUDY, WHICH IS TO START AT THE BEGINNING OF JANUARY AND END IN MAY.

IT IS OF CONSIDERABLE IMPORTANCE TO US THAT THIS PROJECT MEET FOUR VERY PRECISE OBJECTIVES:

- FIRST: TO MAXIMIZE THE USE OF EXISTING FACILITIES AND SERVICES IN THE MONTREAL AREA AND THROUGHOUT QUEBEC;
- SECOND: TO GIVE PRODUCERS ACCESS TO A COMPREHENSIVE INFRASTRUCTURE INCORPORATING STATE-OF-THE-ART TECHNOLOGY;
- THIRD: TO ENABLE MONTREAL TO BE USED FOR PRODUCTIONS THAT COULD NOT BE HANDLED WITH THE FACILITIES CURRENTLY AVAILABLE IN THE CITY; AND
- FOURTH: TO ESTABLISH AN INTEGRATED STRUCTURE FOR THE NATIONAL AND INTERNATIONAL PROMOTION AND MARKETING OF THE ENTIRE MONTREAL-BASED INDUSTRY.

THE PROJECT IS TO BE CARRIED OUT EFFICIENTLY AND EFFECTIVELY, AND AS INEXPENSIVELY AS POSSIBLE, WHILE MAINTAINING BASIC STANDARDS OF QUALITY.

THE TERMS OF REFERENCE FOR THE FEASIBILITY STUDY ARE AS FOLLOWS: THE CONSULTANTS HAVE A MANDATE TO DRAW UP A QUANTITATIVE AND QUALITATIVE INVENTORY OF THE EXISTING SERVICES IN MONTREAL AND TO STUDY THE NATIONAL AND INTERNATIONAL DEMAND.

ONE IMPORTANT PHASE OF THE STUDY WILL BE TO CONSULT THE PEOPLE INVOLVED IN THIS AREA OF ACTIVITY FOR THE PURPOSE OF DEFINING THE CONCEPT OF THE FILM CENTRE -- ITS SERVICES, FACILITIES, EQUIPMENT AND RESOURCES. WE FEEL CONFIDENT THAT THESE CONSULTATIONS CAN ONLY IMPROVE THE RESULTS.

IN ADDITION, WE WILL SOON BE ABLE TO STUDY THE RECOMMENDATIONS REGARDING POSSIBLE SITES. PREFERENCE WILL BE GIVEN TO LOCATIONS THAT ENSURE ACCESSIBILITY TO EXISTING SERVICES WHILE TAKING ENVIRONMENTAL CONSIDERATIONS INTO ACCOUNT. OUR TWO GOVERNMENTS WILL ALSO EXAMINE THE MARKETING PLAN PROPOSED FOR THE CENTRE AND FOR THE ENTIRE MONTREAL AND QUEBEC INDUSTRY.

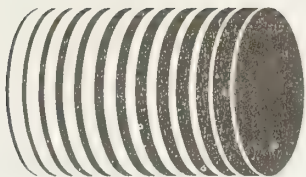
I WOULD LIKE TO THANK ALL THE PEOPLE INVOLVED IN THIS FIELD WHO HAVE ALREADY TAKEN PART IN THE DEVELOPMENT OF THIS PROJECT AND I AM COUNTING ON PRODUCERS, TECHNICIANS, ACTORS AND SERVICE COMPANIES TO HELP DEFINE THE CONCEPT OF AN INTERNATIONAL FILM CENTRE IN MONTREAL.

PLANS ARE ALSO AFOOT TO SET UP PRODUCTION CENTRES IN TORONTO AND VANCOUVER, CENTRES THAT WOULD BE ROOTED IN THE INDUSTRY ESTABLISHED IN THESE CITIES AND THAT WOULD RESPOND TO SPECIFIC NEEDS. ALL THESE ACTIVITIES ARE BEING UNDERTAKEN TO ENSURE THE DEVELOPMENT OF THE CANADIAN FILM INDUSTRY SO IMPORTANT TO THE COUNTRY'S CULTURAL DEVELOPMENT. THIS PROJECT IN MONTREAL, WHICH IS TODAY BEING GIVEN A FRESH START, TOGETHER WITH OTHER IMPORTANT PROGRAMS WHICH I WILL BE ANNOUNCING IN THE NEXT FEW DAYS, SERVE AS EVIDENCE OF THE GOVERNMENT OF CANADA'S SUPPORT FOR THE CULTURAL SECTOR.

I FEEL ENTHUSIASTIC AND CONFIDENT IN LOOKING FORWARD TO THE ACHIEVEMENTS AND THE FUTURE OF OUR FILM INDUSTRY.

WE HAVE THE POTENTIAL TO RANK AMONG THE BEST ON THE WORLD'S SCREENS -- THIS PROJECT OPENS UP FOR US A VENUE COMMENSURATE WITH OUR TALENTS.

THANK YOU.



COMMUNICATIONS

CANADIAN BROADCASTING --

CREATING A NEW UNDERSTANDING

"...This country must be assured of complete Canadian control of broadcasting from Canadian sources. Without such control broadcasting can never be the agency by which national consciousness may be fostered and sustained and national unity still further strengthened..."

"...No other scheme than that of public ownership can ensure to the people of this country equal enjoyment of the benefits and pleasure of broadcasting..."

(But) it may be that at some future time, when science has made greater achievements...it may be desirable to make other or different arrangements."

Prime Minister R.B. Bennett, introducing Bill 94 on broadcasting, Debates of the House of Commons May 18, 1932, pp. 3035-6.

NOTES FOR A SPEECH

BY THE HONOURABLE MARCEL MASSE

M.P. FOR FRONTENAC

MINISTER OF COMMUNICATIONS

FÉDÉRATION DES JOURNALISTES PROFESSIONNELS DU QUÉBEC (FPJQ)

MONTREAL, QUEBEC

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Department of Communications

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LADIES AND GENTLEMEN:

IT IS AN HONOUR AND A PLEASURE FOR ME TO BE WITH YOU TODAY. I WANT ABOVE ALL TO SPEAK TO YOU ABOUT CANADIAN BROADCASTING AND PRESENT TO YOU SOME POINTS OF VIEW ON THIS VITAL, COMPLEX AND DIFFICULT SUBJECT.

IT IS A SUBJECT CERTAINLY WORTHY OF MUCH DISCUSSION AND MUCH CONCERN; ESPECIALLY BECAUSE BROADCASTING IS THE BASIC INSTRUMENT FOR THE SHARED ACTIVITY, SHARED INFORMATION AND SHARED ENJOYMENT WHICH, TOGETHER, HELP MAKE UP OUR COLLECTIVE CULTURE AND, EVEN MORE IMPORTANT, OUR COLLECTIVE CONSCIOUSNESS AND OUR IDENTITY.

IN HIS PROPHETIC WORDS, IN 1932, ON INTRODUCING CANADA'S FIRST BILL ON BROADCASTING IN THE HOUSE OF COMMONS, THE THEN PRIME MINISTER, R.B. BENNETT SAID:

"THIS COUNTRY MUST BE ASSURED OF COMPLETE CANADIAN CONTROL OF BROADCASTING FROM CANADIAN SOURCES. WITHOUT SUCH CONTROL BROADCASTING CAN NEVER BE THE AGENCY BY WHICH NATIONAL CONSCIOUSNESS MAY BE FOSTERED AND SUSTAINED AND NATIONAL UNITY STILL FURTHER STRENGTHENED. NO OTHER SCHEME THAN THAT OF PUBLIC OWNERSHIP CAN ENSURE TO THE PEOPLE OF THIS COUNTRY EQUAL ENJOYMENT OF THE BENEFITS AND PLEASURES OF BROADCASTING."

HE ALSO WENT ON TO SAY:

"AT SOME FUTURE TIME, WHEN SCIENCE HAS MADE GREATER ACHIEVEMENTS, IT MAY BE DESIRABLE TO MAKE OTHER OR DIFFERENT ARRANGEMENTS."

IT IS CLEAR THAT, TAKING INTO ACCOUNT TECHNOLOGICAL CHANGE, THE FUTURE IS NOW. YET, THIS IS NOT THE FIRST TIME CANADIAN BROADCASTING HAS HAD TO ADAPT ITSELF TO EVOLUTION. THE SYSTEM OF BROADCASTING IN THIS COUNTRY HAS NEVER STOPPED PROGRESSING. THIS PROGRESS IS ITS PRIMARY CHARACTERISTIC. AND THAT IS WHY LEGISLATORS AND BROADCASTERS HAVE ALWAYS KNOWN HOW TO RESPOND TO THE PRECISE NEEDS, AND THE NEW DESIRES OF THE CANADIAN POPULATION, AS WELL AS TO TECHNOLOGICAL ADVANCES.

CANADIAN BROADCASTING POLICY HAS ALSO BEEN IN CONSTANT EVOLUTION, EVER SINCE 1928, WHEN THE FIRST CANADIAN ROYAL COMMISSION ON BROADCASTING WAS APPOINTED. ITS REPORT WAS SUBMITTED, AND THE LIBERAL GOVERNMENT OF MACKENZIE KING DID NOT ACT ON ITS RECOMMENDATIONS.

IT WAS UP TO THE NEW PROGRESSIVE CONSERVATIVE GOVERNMENT OF R.B. BENNETT TO ACT. A SPECIAL COMMITTEE OF THE HOUSE WAS APPOINTED TO STUDY THIS COMMISSION'S RECOMMENDATIONS.

IT WAS AS A RESULT OF THE PARLIAMENTARY REPORT OF THIS COMMITTEE THAT THE FIRST CANADIAN LAW ON BROADCASTING WAS INTRODUCED IN THE HOUSE OF COMMONS.

ANOTHER IMPORTANT RESULT WAS THE INAUGURATION OF PUBLIC RADIO IN CANADA. IT WAS R.B. BENNETT'S PROGRESSIVE CONSERVATIVE GOVERNMENT WHICH ESTABLISHED WHAT WAS THEN KNOWN AS THE CANADIAN RADIO BROADCASTING COMMISSION -- THE FORERUNNER OF TODAY'S CBC.

THE PROGRESSIVE CONSERVATIVE GOVERNMENT WAS STRONGLY COMMITTED TO THE DEVELOPMENT OF A HEALTHY AND CULTURALLY SIGNIFICANT CANADIAN BROADCASTING SYSTEM. OTHER GOVERNMENTS WHICH FOLLOWED BENNETT'S DID NOT ALWAYS SHARE THE SAME COMMITMENT. THE CRBC DID NOT ALWAYS RECEIVE THE GOVERNMENT SUPPORT IT NEEDED TO FULFILL ITS MANDATE AND TO KEEP CONTROL OF THE BROADCASTING SYSTEM.

THAT IS WHY, WHEN THE CONSERVATIVES CAME TO POWER IN 1957, THEY FOUND A BROADCASTING ACT THAT WAS TWENTY-TWO YEARS OLD. THEY FOUND A PRIVATE SECTOR THAT WAS ANXIOUS TO PLAY A PART IN THE DEVELOPING BROADCASTING SYSTEM. AND THEY FOUND A PUBLIC SECTOR WHICH COULD NO LONGER FULFILL THE DOUBLE ROLES OF REGULATOR AND BROADCASTER IN ONE SINGLE ENTITY.

THE GOVERNMENT THEN TOOK THE NEXT VISIONARY STEP IN THE EVOLUTION OF BROADCASTING POLICY. IT INTRODUCED A NEW BROADCASTING ACT, WHICH SEPARATED THE REGULATORY AND BROADCASTING ROLES FOR THE FIRST TIME. TO DO THIS IT CREATED THE BOARD OF BROADCAST GOVERNORS - THE FORERUNNER OF TODAY'S CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION CRTC.

THE SAME ADMINISTRATION ALSO SUPPORTED THE EXPANSION OF OTHER TELEVISION STATIONS AND THE CREATION OF A PRIVATE TELEVISION NETWORK IN CANADA -- THEREBY MAKING THE INITIAL PREPARATIONS FOR EXPANDED PROGRAM CHOICE FROM ONE OCEAN TO THE OTHER.

THERE HAVE BEEN OTHER DECISIONS, AND OTHER INITIATIVES, SINCE THE SIXTIES. SUFFICE IT TO MENTION HERE THE 1968 BROADCASTING ACT, THE INTRODUCTION OF PAY-TELEVISION, AND, NOT LONG AGO, THE APPLEBAUM-HÉBERT REPORT, A REPORT COMMISSIONED BY ANOTHER CONSERVATIVE GOVERNMENT, THE CLARK GOVERNMENT, WHEN IT CAME TO OFFICE IN 1979.

BUT IT IS IMPORTANT TO UNDERLINE THE FACT THAT PROGRESSIVE CONSERVATIVE GOVERNMENTS HAVE ALWAYS BEEN CONCERNED ABOUT THE EXPANSION AND ENRICHMENT OF BOTH THE PUBLIC AND PRIVATE SYSTEMS OF COMMUNICATIONS. THIS POLITICAL FORMATION HAS ALWAYS BEEN INNOVATIVE IN MATTERS OF COMMUNICATION. THESE MEN AND WOMEN ALWAYS ADAPTED OUR SYSTEM TO NEW REALITIES. AND THE PRESENT CONSERVATIVE GOVERNMENT OF MR. BRIAN MULRONEY WILL HONOUR THIS TRADITION.

SOME SIXTEEN YEARS HAVE ALREADY ELAPSED SINCE THE BROADCASTING ACT WAS PASSED BY THE CANADIAN PARLIAMENT. THE ENVIRONMENT FOR OUR BROADCASTERS -- PUBLIC AND PRIVATE -- HAS CHANGED DRAMATICALLY SINCE 1968. WE THINK IT IS HEALTHY TO EVALUATE MATTERS. IT IS TIME NOW TO SEE WHAT IS WORKING, AND WHAT IS NOT WORKING.

THE FIRST STAGE SHOULD BE TO CONCENTRATE ON THE METHOD AND THE STRUCTURE OF THE DEVELOPMENT OF A COMMUNICATIONS POLICY.

ANALYSIS OF THE CHALLENGES FACING THE CANADIAN BROADCASTING SYSTEM MUST BE SUBSTANTIVE AND THOUGHTFUL AND NOT SUPERFICIAL AND VAGUE. THE MILIEU WHICH WILL BE AFFECTED BY GOVERNMENT POLICY MUST BE CONSULTED FREQUENTLY.

THIS IS OUR APPROACH. THIS GOVERNMENT WAS ELECTED WITH A MANDATE OF CHANGE. IT IS NOT ENOUGH TO SIMPLY CHANGE POLICIES -- WE MUST ALSO REVIEW HOW WE MAKE THOSE POLICIES. IT IS CLEAR THAT NO ONE WANTS TO HAVE A STRUGGLE OF GOVERNMENT AGAINST GOVERNMENT, INDUSTRY AGAINST INDUSTRY, GROUP AGAINST GROUP. WE HAVE KNOWN TOO MANY OF THESE STERILE CONFRONTATIONS IN THE LAST DECADE.

THE PEOPLE OF CANADA EXPECT US TO PROVE THAT WE CAN BRING THOSE GROUPS TOGETHER, AND NOT DRIVE THEM FURTHER APART. AND I TELL YOU HERE TODAY, I INTEND TO PROVE THAT THE EXPECTATIONS OF OUR FELLOW CITIZENS ARE REALISTIC.

THE INAUGURAL SPEECH OF THE FIRST SESSION OF THIS PARLIAMENT ON NOVEMBER 5, 1984 SAID: "CONSULTATION AND COLLABORATION SHOULD ONCE AGAIN BECOME THE NORMAL ORDER OF THINGS."

FOR EXAMPLE, THIS MORNING, MEMBERS OF MY STAFF AND OF MY DEPARTMENT MET IN OTTAWA WITH REPRESENTATIVES OF CANCOM, THE CRTC, THE CANADIAN ASSOCIATION OF BROADCASTERS, THE CANADIAN CABLE TELEVISION ASSOCIATION, AND OTHERS. THIS MEETING IS PART OF THE PROCESS OF CONSULTATION WE INITIATED. THIS TIME IT CONCERNS THE ISSUE OF SATELLITE TELEVISION RECEPTION. OUR GOAL IS TO DEVELOP, VERY QUICKLY, A NEW POLICY ON TELEVISION SERVICE TO THE MOST UNDERSERVED COMMUNITIES OF CANADA -- AN ADMINISTRATIVE POLICY THAT RECOGNIZES ON THE ONE HAND THE LEGITIMATE RIGHT OF CANADIANS TO AN ACCEPTABLE LEVEL OF TELEVISION SERVICE, AND ON THE OTHER HAND ASSURES THE CONTINUED STRENGTH AND INTEGRITY OF THE CANADIAN BROADCASTING SYSTEM. THIS IS A VERY DIFFICULT ISSUE TO RESOLVE. CONSULTATION AMONG THE PARTIES CONCERNED WILL ALLOW US TO REACH THE NECESSARY CONSENSUS.

THE ISSUE OF SATELLITE RECEPTION IS NOT NEW. WHAT IS NEW IS THIS GOVERNMENT'S WILLINGNESS TO TACKLE THE ISSUE DIRECTLY -- TO RECOGNIZE THE SERIOUSNESS OF THE PROBLEM, AND TO DO WHATEVER IS REQUIRED TO FIND A COOPERATIVE, CONSULTATIVE SOLUTION.

THIS IS THE APPROACH THAT WE PREFER. IT IS THAT OF THE BRIAN MULRONEY GOVERNMENT AND THAT WHICH I HAVE BROUGHT TO MY OFFICE AS MINISTER OF COMMUNICATIONS.

THIS IS THE ORIENTATION, THIS IS THE DETERMINATION TO CONSULT, WHICH HAS BEEN APPLIED MOST RECENTLY IN THE DISCUSSIONS WITH THE CBC.

THE ECONOMY OF THIS COUNTRY IS NEARLY BANKRUPT. THE SIZE OF THE DEFICIT AND THE BURDEN OF DEBT SERVICE PAYMENTS THAT WE FACE, HAVE PLACED SEVERE CONSTRAINTS ON THE GOVERNMENT'S ABILITY TO RESPOND TO THE NEEDS OF THE ECONOMY. AND EACH YEAR THE PORTION OF OUR BUDGET THAT WE MUST DEVOTE TO SERVICING THE DEBT GROWS LARGER.

THIS CLEARLY CANNOT CONTINUE. WE CANNOT ALLOW OURSELVES TO LOSE THE ABILITY TO RESPOND TO THE COUNTRY'S NEEDS. WE MUST REDUCE THE FEDERAL DEFICIT AND WE MUST ALL PLAY OUR PARTS IN THE STRUGGLE.

THAT IS WHY MY COLLEAGUE, MR. WILSON, HAS CALLED ON GOVERNMENTAL BODIES TO CONTRIBUTE TO THE PROGRAM OF BUDGET REDUCTION.

WHEN MY COLLEAGUE SET FORTH HIS PROPOSALS FOR THE REORGANIZATION OF PUBLIC FINANCES, HE REQUIRED OF ALL GOVERNMENTAL ORGANISMS A CONTRIBUTION TO THE PROGRAM OF BUDGET REDUCTION. AND FOR THIS REASON THE CBC WAS CALLED ON TO REDUCE ITS PROPOSED 1985-86 BUDGET BY \$75 MILLION. THIS REDUCTION REPRESENTS 7.6 PER CENT OF THE CBC'S TOTAL EXPENDITURES.

THIS ADMINISTRATIVE OBLIGATION CARRIED A RISK IN ITSELF; IT RISKED AFFECTING THE CBC'S LONG-TERM OPERATIONS AND STRATEGY. THAT WAS WHY I CAME TO AN AGREEMENT WITH THE PRESIDENT OF THE CBC CONCERNING THE NEED FOR A CONSULTATIVE PROCESS.

MR. JUNEAU SUPPORTED THIS PROCESS; AND ON NOVEMBER 5 HE STATED IN A LETTER TO ME, AND I QUOTE: "IT WAS AGREED THAT IF SUCH REDUCTIONS WERE MADE, IMPORTANT BASIC CORPORATION STRATEGIES WOULD BE AFFECTED, AND, THEREFORE, IT WOULD BE NECESSARY THAT CONSULTATIONS TAKE PLACE BETWEEN THE CORPORATION AND YOURSELF ON THE IMPLEMENTATION OF THESE REDUCTIONS."

IN HIS LETTER, MR. JUNEAU POINTED OUT THAT SUCH CONSULTATIONS WOULD TAKE PLACE WHILE RESPECTING THE DISTINCT RESPONSIBILITIES OF THE MINISTER AND THE CORPORATION.

THIS CONSULTATION PRODUCED POSITIVE RESULTS THANKS TO THE GOOD COLLABORATION OF THE CBC PRESIDENT AND HIS UPPER MANAGEMENT REPRESENTATIVES, WHO WORKED EFFECTIVELY WITH MY SPECIAL ADVISORS MESSRS. GOULD, PAQUIN AND AUDLEY. THEY WERE ABLE TO OPERATE IN A REALISTIC CLIMATE BASED ON PRIORITY CONSIDERATIONS FOR THE CREATIVE RESOURCES IN THE REGIONS AND IN THE FRENCH AND ENGLISH NETWORKS.

MR. JUNEAU INFORMED ME OF HIS DECISIONS. SINCE THEN HE HAS MET WITH THE MEMBERS OF HIS BOARD OF DIRECTORS, AS HE SHOULD, AND HE WILL SOON MAKE PUBLIC THE DECISIONS OF THE BOARD.

THIS SAME APPROACH OF CONSULTATION AND COOPERATION HAS BEEN BROUGHT TO ALL MY DEALINGS WITH MY PROVINCIAL COUNTERPARTS, ESPECIALLY HERE IN QUEBEC, WHICH HAS KNOWN SO MANY CONFRONTATIONS WITH OTTAWA. FROM THE VERY BEGINNING OF OUR MANDATE WE WANTED TO GIVE THIS NEW ORIENTATION TO THE QUEBEC-OTTAWA DIALOGUE. THE RESULT IS SURPRISING AND NOT DISPLEASING TO ME. WE WILL SOON DEMONSTRATE THE TRUTH OF THIS IN JOINT ANNOUNCEMENTS WITH MY QUEBEC COLLEAGUES ON SPECIFIC FUTURE-ORIENTED PROJECTS.

THE OBSESSION WITH CONFRONTATION, THE FRUIT OF THE FORMER FEDERAL LIBERAL GOVERNMENT, MUST GIVE WAY TO A NEW ERA OF CONSULTATION AND COOPERATION.

I INTEND TO CONTINUE THIS ATTITUDE OF CONSULTATION AS CANADA FACES A VERY GREAT CHALLENGE, WHICH I HAVE CONCLUDED, REQUIRES IMMEDIATE ACTION.

THE GAMUT OF CHALLENGES FACING THIS SYSTEM -- THAT IS, CANADIAN SOCIETY AND CULTURE -- ARE VERY REAL. UP TILL NOW THERE HAS BEEN A TENDENCY BY THE PROFESSION TO VIEW THESE CHALLENGES AS VAGUE, GENERALIZED THREATS. I DO NOT AGREE WITH THIS POINT OF VIEW. I SEE THESE CHALLENGES AS SPECIFIC, PRACTICAL ISSUES WHICH CAN BE DEFINED AND, IN MOST CASES, RESPONDED TO EFFECTIVELY.

BUT IF WE ARE TO RESPOND EFFECTIVELY, WE MUST DEFINE THE ISSUES MORE REALISTICALLY AND PRECISELY. TO DO THAT, WE MUST WORK CLOSELY WITH THOSE WHO ARE INVOLVED EVERY DAY IN FACING THOSE DIFFICULTIES. ONLY IN THIS WAY CAN WE HOPE TO DEVELOP POLICIES WHICH REFLECT REALITY AND WHICH CAN, THEREFORE, BE SUCCESSFUL IN ACHIEVING THE DESIRED GOALS.

EVEN BEFORE BEGINNING THE PROCESS OF CONSULTATION, LET US ASK SOME QUESTIONS. IT IS CLEAR THAT, AMONG OTHER POINTS, WE MUST ASK:

FIRST: WHAT ARE THE ROLES AND MANDATES OF THE PLAYERS? AND ARE THESE STILL APPROPRIATE? WHAT NEW ROLES WOULD THE CBC, THE FREE ENTERPRISE BROADCASTERS, THE CRTC, THE CABLE TELEVISION SYSTEMS, THE PROVINCIAL GOVERNMENTS, THE PAY-TELEVISION SERVICES, OR CANCOM LIKE TO UNDERTAKE THAT THEY ARE NOT NOW PERFORMING? HOW DO THESE PLAYERS NOW FULFILL THEIR MANDATES?

SECOND: WHAT IS THE ROLE OF THE FRAMEWORK OFFERED BY GOVERNMENTAL POLICY? AND HOW SHOULD IT BE USED IN THE FUTURE? HOW CAN THE GOVERNMENT OF CANADA BEST ENSURE THAT ITS POLICIES HELP, RATHER THAN HINDER, THE CONTINUED DEVELOPMENT OF A STRONG CANADIAN BROADCASTING SYSTEM?

THIRD: WHICH OF THE EXISTING FEDERAL ADMINISTRATIVE GOVERNMENT POLICIES ARE STILL APPROPRIATE, AND WHICH MUST CHANGE? THUS, WE WILL FIND THAT THE EXISTING POLICY IS THE BEST WE HAVE, IN SOME CASES. IN OTHER CASES, WE MAY FIND THAT SUBSTANTIAL CHANGES ARE REQUIRED TO RESPOND TO TODAY'S AND TOMORROW'S PROBLEMS. WHEN THAT IS TRUE, WE WILL BE PREPARED TO MAKE THOSE CHANGES.

FOURTH: HOW DO WE BEST ADDRESS THE DIVERSE NEEDS OF CANADA'S DIFFERENT REGIONS? IS THIS A ROLE BEST FULFILLED BY THE PUBLIC SECTOR, THE PRIVATE SECTOR OR THE PROVINCES?

FIFTH: WHICH OF THE PLAYERS SHOULD BE CHARGED WITH THE RESPONSIBILITY FOR THE PRESERVATION OF, AND FOR CONTRIBUTIONS TO, CANADIAN CULTURE? THE ANSWER MAY BE ALL, OR ONLY SOME OF THEM. IT IS UP TO CANADIANS TO DECIDE WHETHER BROADCASTING HAS A GREAT RESPONSIBILITY IN CULTURAL DEVELOPMENT. WE MUST NOT ONLY DEFINE THE ROLES AND THE ACTORS, BUT ALSO DECIDE ON THE BEST WAY TO ASSIST THEM IN THIS TASK.

SIXTH: HOW CAN THE GOVERNMENT OF CANADA AND THE PROVINCIAL GOVERNMENTS BEST WORK TOGETHER TO PROVIDE BETTER BROADCASTING SERVICES TO ALL CANADIANS? HOW CAN THE PROVINCES IN TURN WORK BETTER WITH THE PRIVATE SECTOR TO ACHIEVE THESE GOALS? IF IT IS AGREED THAT THERE IS AN EXPANDED ROLE WHICH THE PROVINCES CAN ASSUME, THEY WILL FIRST HAVE TO INFORM US OF THEIR DESIRES AND THEIR PROJECTS.

AND, FINALLY, WE MUST ALSO EXAMINE THE PROBLEMS OF FRENCH-LANGUAGE TELEVISION SERVICES IN QUEBEC AND ELSEWHERE IN CANADA. ITS PARAMETERS ARE CLEARLY DIFFERENT FROM THOSE OF THE ENGLISH SERVICES.

THE ROLE OF FRENCH-LANGUAGE TELEVISION IS FOURFOLD. IT IS A SOURCE OF SELF-EXPRESSION AND OF SOCIOLOGICAL SELF-IDENTIFICATION; IT AIDS IN THE DEVELOPMENT OF A LANGUAGE OF HIGH QUALITY AND IN THE SPREADING OF FRENCH CULTURE.

IT MUST BE A SOURCE OF SHARED AND UNIFYING EXPERIENCE. IT MUST ALSO PRODUCE A HIGH QUALITY, EXPORTABLE ENTERTAINMENT PRODUCT.

NEW PROBLEMS HAVE BEEN CREATED BY THE NEW ENVIRONMENT OVER THE PAST DECADE. THERE IS THE GROWING COMPETITION FROM ANGLOPHONE PROGRAMMING, BOTH DOMESTIC AND FOREIGN. IN ADDITION, THERE IS A SLIPPAGE OF VIEWING PUBLIC TOWARDS ANGLOPHONE PROGRAMMING, PARTICULARLY AMONG YOUNGER VIEWERS.

GIVEN THE LIMITED SIZE OF THE FRANCOPHONE MARKET, HOW CAN THESE PROBLEMS BEST BE CONFRONTED? TWO SOLUTIONS SEEM POSSIBLE TO US: THE DEVELOPMENT OF THE EXISTING MARKETS FOR EXPORT OF FRANCOPHONE PRODUCTIONS, AND FOR CO-PRODUCTIONS; AND THE EXPANSION OF THE RELATIONSHIP BETWEEN THE FRANCOPHONE FILM INDUSTRY AND BROADCASTING, IN QUEBEC, CANADA, AND ABROAD.

ONE METHOD, AMONG OTHERS, FOR DEALING WITH THESE PROBLEMS IS THE EXTENSION OF FRENCH-LANGUAGE SERVICES. THIS CAN BE ACCOMPLISHED THROUGH COLLABORATION AND COOPERATION AMONG CABLE OPERATORS, AND FEDERAL, PROVINCIAL, PRIVATE AND FOREIGN BROADCASTERS.

THE DEMANDS AND REQUIREMENTS OF THE FRENCH-SPEAKING AUDIENCE MUST BE MET -- NOT ONLY FOR TRADITIONAL SERVICES, BUT ALSO FOR SPECIALIZED SERVICES, THEREBY ASSURING A PERMANENT, HIGH QUALITY INFRASTRUCTURE, WHICH INCLUDES PRODUCTION, POST-PRODUCTION, DUBBING, DISTRIBUTION AND MARKETING.

PRODUCTION QUALITY MUST BE CLOSELY MONITORED SO AS TO BE INTERNATIONALLY COMPETITIVE.

BY THE REVISION OF STATUTES AND THE ROLES OF VARIOUS PLAYERS IN RESPONSE TO TECHNOLOGICAL CHANGE, AND BY CONTINUED CLOSER COOPERATION WITH OTHER FRANCOPHONE SOURCES, WE WILL INCREASE PRODUCTION AND OPPORTUNITIES FOR DISTRIBUTION LEADING TO ESTABLISHMENT OF AN INDUSTRIAL NETWORK.

WE MUST ENLARGE THE RANGE OF FRENCH-LANGUAGE PROGRAMMING THROUGHOUT THE COUNTRY. WE MUST GIVE GREATLY INCREASED EMPHASIS TO MARKETING, BOTH NATIONAL AND INTERNATIONAL.

THESE ARE SOME OF OUR OBJECTIVES.

I INTEND TO ENSURE THAT THIS REVIEW OF FRENCH-LANGUAGE SERVICES IN QUEBEC AND IN THE REST OF CANADA IS CONDUCTED WITH THE SAME FULL CONSULTATION AS THE OTHER PORTIONS OF OUR BROADCASTING POLICY REVIEW. I MUST UNDERLINE THE POINT THAT FULL COOPERATION WITH THE PROVINCES INVOLVED IS ESPECIALLY CRUCIAL IN THIS AREA -- PARTICULARLY, AS IS OBVIOUS, WITH QUEBEC.

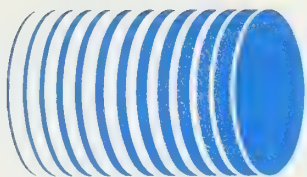
I AM PLEASED TO HAVE HAD THIS OPPORTUNITY TODAY TO SPEAK WITH YOU CONCERNING THESE FUNDAMENTAL QUESTIONS ABOUT CANADIAN BROADCASTING. I AM SURE THAT MANY CANADIANS, AND PERHAPS ESPECIALLY THE MEMBERS OF THIS AUDIENCE, CARE VERY DEEPLY ABOUT THE FUTURE OF THE CANADIAN BROADCASTING SYSTEM AND ITS ABILITY TO WITHSTAND THE CHALLENGES IT FACES. IF I ACCEPT YOUR CONCERNS, I HOPE THAT YOU WILL ALSO SHARE MY OPTIMISM FOR THE FUTURE OF OUR BROADCASTING SYSTEM.

OUR CHALLENGES ARE NOT INSURMOUNTABLE.

OUR SYSTEM IS OF HIGH QUALITY, DYNAMIC AND GROWING.

THANK YOU.

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"Television is a place where one is
all alone by the thousands; it is the
opposite of the movies, where thousands
find themselves alone."

J.L. Goddard

NOTES FOR A STATEMENT
BY THE HONORABLE MARCEL MASSE
M.P. FOR FRONTENAC
MINISTER OF COMMUNICATIONS
AT THE PRESENTATION OF THE
OTTAWA-QUEBEC REPORT ON THE FUTURE
OF FRENCH-LANGUAGE TELEVISION

OTTAWA, ONTARIO
MAY 21, 1985

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PLAN

1. INTRODUCTION

2. AN UNPRECEDENTED INITIATIVE

2.1 A timely study

2.2 The special nature of French-language television

3. ONGOING CONSULTATION

4. CONCLUSION

1. INTRODUCTION

LADIES AND GENTLEMEN:

FIRST, I WOULD LIKE TO WELCOME YOU HERE AND THANK YOU FOR YOUR INTEREST IN THE ISSUE OF FRENCH-LANGUAGE TELEVISION IN CANADA. IN PARTICULAR, I WOULD LIKE TO EXPRESS MY GRATITUDE TO THE AGENT GENERAL FOR QUEBEC, MRS. JOCELYNE OUELLETTE, WHO GRACIOUSLY AGREED TO HOST THIS GATHERING. I FIND IT QUITE APPROPRIATE THAT THE EVENT THAT BRINGS US TOGETHER TODAY SHOULD BE HELD IN THE MAISON DU QUÉBEC (QUEBEC HOUSE) IN OTTAWA.

2. AN UNPRECEDENTED INITIATIVE

IN DECEMBER 1984, THE QUEBEC COMMUNICATIONS MINISTER, MR. JEAN-FRANÇOIS BERTRAND, AND I TOOK THE INITIATIVE OF ASSIGNING TO OUR RESPECTIVE DEPUTY MINISTERS AND TO A GROUP OF OFFICIALS FROM BOTH GOVERNMENTS, A MANDATE TO ANALYSE THE STATUS OF FRENCH-LANGUAGE TELEVISION IN CANADA, TO EXAMINE THE SPECIFIC PROBLEMS WITH WHICH IT HAS TO CONTEND AND TO SUGGEST POSSIBLE DIRECTIONS FOR ITS FUTURE.

FOR THE GOVERNMENTS OF CANADA AND QUEBEC, THIS REPRESENTED AN UNPRECEDENTED INITIATIVE IN THE FIELD OF COMMUNICATIONS. SCARCELY FIVE MONTHS AFTER MAKING THIS HISTORIC DECISION -- AND I HAVE NO HESITATION IN USING THAT TERM -- MR. BERTRAND AND I ARE PLEASED TO BE MAKING THE COMMITTEE'S REPORT PUBLIC TODAY FOR CONSULTATIVE AND DISCUSSION PURPOSES.

THIS DOCUMENT IS NOT THE RESULT OF A STUDY CONDUCTED BEHIND CLOSED DOORS, AND I WOULD LIKE TO CONGRATULATE THE COMMITTEE MEMBERS FOR HAVING BEEN ABLE, DESPITE THE TIGHT DEADLINES, TO INVOLVE IN THEIR STUDY THE MAIN PARTIES CONCERNED WITH FRENCH-LANGUAGE TELEVISION. THIS REPORT REFLECTS NOT ONLY THE CONCERNS OF TELEVISION VIEWERS BUT ALSO THE CONCERNS OF THE BROADCASTERS AND PRODUCERS IN THE PUBLIC AND PRIVATE SECTORS. IT IS OF INTEREST TO FRANCOPHONES BOTH IN QUEBEC AND IN OTHER PROVINCES. MOREOVER, THE COMMITTEE MAINTAINED, THROUGHOUT THE ENTIRE PROCESS, AN ONGOING DIALOGUE WITH FRANCOPHONE GROUPS OUTSIDE QUEBEC, AND IT CONSULTED THE PROVINCIAL MINISTERS RESPONSIBLE IN ONTARIO, MANITOBA, AND NEW BRUNSWICK.

2.1 A TIMELY STUDY

THIS REPORT TAKES ON A PRIME IMPORTANCE AT THIS TIME WHEN THE CANADIAN GOVERNMENT HAS CLEARLY INDICATED THAT IT INTENDS TO REVIEW BROADCASTING POLICIES IN CANADA. IT WILL THEREFORE BE A VALUABLE TOOL FOR THE MEMBERS OF THE TASK FORCE ON BROADCASTING, WHOSE FORMATION I ANNOUNCED ON APRIL 9TH.

THE CO-CHAIRMAN OF THIS TASK FORCE, MR. GERALD CAPLAN AND MR. FLORIAN SAUVAGEAU, AND ITS MEMBERS, WHO WERE APPOINTED SCARCELY TWO WEEKS AGO, WILL BE SETTING TO WORK IN THE NEXT FEW DAYS. I FEEL CONFIDENT THAT THEY WILL SHOW AS MUCH DILIGENCE AS THE AUTHORS OF THIS REPORT DISPLAYED AND THAT I WILL HAVE IN HAND, ON JANUARY 15TH 1986, THE RESULTS OF THIS FIRST IN-DEPTH EXAMINATION OF CANADIAN BROADCASTING POLICY SINCE 1968. I WILL BE PROVIDING COPIES OF THIS REPORT TO THE TASK FORCE AS SOON AS POSSIBLE, AND, IF THEY FOLLOW THE EXAMPLE OF THE MINISTERS CONCERNED, I AM SURE THAT, AS A CONSENSUS OF OPINION EMERGES, THEY WILL HAVE GOOD REASON TO CONSIDER SPECIFIC LEGISLATIVE AND REGULATORY MEASURES TO MEET THE VERY SPECIAL REQUIREMENTS OF FRENCH-LANGUAGE TELEVISION ON THIS CONTINENT.

2.2 THE SPECIAL NATURE OF FRENCH-LANGUAGE TELEVISION

IT IS PRECISELY BECAUSE THIS REPORT ACKNOWLEDGES AND IDENTIFIES THE SPECIAL NATURE OF FRENCH-LANGUAGE TELEVISION WITHIN THE WHOLE CANADIAN BROADCASTING SYSTEM THAT IT IS OF FUNDAMENTAL IMPORTANCE AT THIS TIME. THE CANADIAN AND QUEBEC GOVERNMENTS ARE OF LIKE MIND ON THIS ISSUE. THE ACTION THAT MR. BERTRAND AND I TOOK IN DECEMBER WAS EVIDENCE OF THIS MUTUAL DETERMINATION TO CLEARLY DEFINE THE FRANCOPHONE PRESENCE IN THE FILM AND VIDEO FIELD IN THE CONTEXT OF THE MAJOR CHANGES THAT HAVE OCCURRED IN BROADCASTING OVER THE PAST DECADE. TECHNOLOGICAL ADVANCES AND THE INCREASE IN THE NUMBER OF SOURCES OF TELEVISED PROGRAMS BROUGHT ABOUT BY THE NEW TECHNOLOGY WARRANTED THE FUNDAMENTAL REVIEW OF THE CANADIAN SYSTEM THAT I HAVE INITIATED. IT WAS JUST AS IMPORTANT TO OBTAIN SOME PERSPECTIVE OF THE FRANCOPHONE COMPONENT IN THIS OVERALL PICTURE BY TAKING ACCOUNT OF, AMONG OTHER THINGS, SUCH NEWCOMERS TO THE FIELD AS RADIO-QUEBEC AND TV ONTARIO.

BESIDES MAKING ABOUT THIRTY SPECIFIC RECOMMENDATIONS UNDER 14 MAIN CHAPTER HEADINGS, THE AUTHORS OF THE REPORT SUGGEST A NUMBER OF AVENUES OF CONSULTATION AND DIALOGUE, NOT ONLY BETWEEN BOTH GOVERNMENTS BUT ALSO BETWEEN THE PRODUCERS, BROADCASTERS, TELEVISION VIEWERS AND THE OTHER PARTIES INVOLVED WHO ALL HAVE A VITAL ROLE TO PLAY IN THE DYNAMIC BUT ORDERLY DEVELOPMENT OF OUR FRENCH-LANGUAGE TELEVISION SYSTEM.

3. ONGOING CONSULTATION

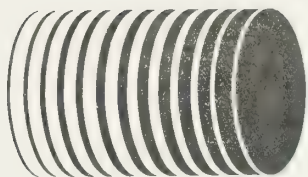
IN THE SPIRIT OF THE NEW APPROACH THAT WE HAVE ADOPTED IN RELATIONS BETWEEN OTTAWA AND QUEBEC, THE TWO GOVERNMENTS HAVE ACKNOWLEDGED THE NEED FOR ONGOING DIALOGUE. THUS, MY COLLEAGUE, MR. BERTRAND AND I HAVE AGREED, IN PRINCIPLE, TO CONCLUDE AN AGREEMENT TO PROMOTE CONSULTATION AND TO HARMONIZE OUR POLICIES IN THE FIELD OF BROADCASTING. WE HOPE, THEREFORE, TO FOLLOW UP ON ONE OF THE MAIN RECOMMENDATIONS OF THE REPORT AND TO SET UP IN THE NEAR FUTURE A STANDING ADVISORY COMMITTEE TO CONTINUE THE WORK THAT HAS BEEN BEGUN; IT WILL BE RESPONSIBLE FOR SAFEGUARDING WHAT HAS ALREADY BEEN ACHIEVED IN THE AREA OF FRENCH-LANGUAGE TELEVISION, WHILE AT THE SAME TIME WORKING TO IMPROVE AND EXTEND THE SERVICES OFFERED. IT WILL ALSO BE ESSENTIAL TO CONSIDER THE NEEDS AND RESOURCES OF FRANCOPHONE GROUPS OUTSIDE QUEBEC. WE MUST INVOLVE IN OUR UNDERTAKING, AS THE OCCASION PRESENTS, THE PUBLIC AUTHORITIES AND PRIVATE ENTREPRENEURS WHICH OFFER THE BROADCASTING SERVICES INDISPENSABLE TO FRANCOPHONES OUTSIDE QUEBEC.

SINCE THIS WILL BE A STANDING COMMITTEE WITH A MUCH MORE SPECIFIC MANDATE AND HAVING TO WORK WITHIN THE EXISTING LEGISLATIVE AND CONSTITUTIONAL FRAMEWORK, IT SHOULD NOT DUPLICATE THE WORK OF THE TASK FORCE WHICH I MENTIONED EARLIER. IT WILL CONSTITUTE A TANGIBLE ACKNOWLEDGEMENT, ON THE PART OF THE TWO GOVERNMENTS, OF THE SPECIAL NATURE OF FRENCH-LANGUAGE TELEVISION, A POINT WHICH FIGURES PROMINENTLY IN TODAY'S REPORT. IN THE SAME SPIRIT THAT MOTIVATED THE AUTHORS OF THE REPORT WHEN THEY SOUGHT TO COMPILE THE VIEWS OF AS MANY CONCERNED PARTIES AS POSSIBLE, THIS GOVERNMENT COMMITTEE WILL ALSO BE INTERESTED IN THE

HARMONIOUS DEVELOPMENT OF THE PRIVATE AND PUBLIC SECTORS, AND OF THE ASSOCIATED INDUSTRIES. I ALSO HOPE IT WILL PAY PARTICULAR ATTENTION TO THE BASIC CONTRIBUTION WHICH CAN BE MADE TO FRENCH-LANGUAGE TELEVISION BY THE PRIVATE SECTOR, BOTH IN THE DOMAINE OF TRADITIONAL TELEVISION AND THAT OF SPECIALIZED SERVICES.

4. CONCLUSION

IN CONCLUDING, I WOULD LIKE TO THANK MR. BERTRAND AND THE OFFICIALS IN HIS DEPARTMENT, FOR THIS OUTSTANDING CO-OPERATION THAT HAS ENABLED US TO COMPLETE SUCCESSFULLY THIS, OUR FIRST JOINT VENTURE IN THE FIELD OF COMMUNICATIONS. THIS INITIATIVE IS ALL THE MORE VALUABLE AND POSITIVE BECAUSE BOTH SIDES ALREADY FEEL THE NEED TO CONTINUE ON THIS ROAD UPON WHICH WE HAVE NOW EMBARKED.



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TOWARDS A CANADIAN CULTURAL POLICY

"... we must cease to suppose that science and resulting technological achievement are the only edge of industrial advance. Beyond science and engineering is the artist; willingly or unwillingly, he or she is vital for industrial progress in the modern industrial world."

John Kenneth Galbraith

NOTES FOR A SPEECH

BY THE HONOURABLE MARCEL MASSE

MEMBER OF PARLIAMENT FOR FRONTENAC

MINISTER OF COMMUNICATIONS

TO THE CANADIAN CONFERENCE OF THE ARTS

MONTREAL, QUEBEC

MAY 15, 1985

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TOWARDS A CANADIAN CULTURAL POLICY

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LADIES AND GENTLEMEN:

INTRODUCTION

I WAS VERY HAPPY TO ACCEPT THE INVITATION EXTENDED TO ME BY YOUR PRESIDENT, MR. CURTIS BARLOW, AND YOUR NATIONAL DIRECTOR, MR. BRIAN ANTHONY. I AM HERE TODAY AS PART OF A TRADITION THAT GOES BACK TO THE VERY BEGINNINGS OF THE CANADIAN CONFERENCE OF THE ARTS. THIS CO-OPERATION IS NOW MORE THAN FORTY YEARS OLD.

IT WAS, IN FACT, ON JUNE 21, 1944, AT THE TORONTO ARTS AND LETTERS CLUB THAT SIXTEEN ARTS ASSOCIATIONS JOINED TOGETHER TO SPEAK WITH A SINGLE VOICE ON BEHALF OF THE CANADIAN ARTISTIC COMMUNITY; IT WAS, HOWEVER, ONLY IN 1945 THAT THE ORGANIZATION WAS FORMALLY INCORPORATED. THE FOUNDERS OF THE CANADIAN CONFERENCE OF THE ARTS UNDERSTOOD THE NEED TO LINK OUR ARTISTIC AND CULTURAL COMMUNITIES CLOSELY TO THE MAINSTREAM OF THIS COUNTRY'S LIFE. FOR CANADA, THE POST-WAR PERIOD WAS ONE OF RECONSTRUCTION, IN WHICH CANADIAN ARTISTS WERE ANXIOUS TO PLAY THEIR PART. AS THE CHAIRMAN OF THE BRITISH ARTS COUNCIL, SIR WILLIAM REES-MOGG, RECENTLY POINTED OUT, IT WAS IN THE NINETEEN-FORTIES THAT THE MODERN STATE PLACED THE ARTS ON THE SAME FOOTING AS EDUCATION, HEALTH CARE AND SOCIAL SECURITY, AS UNIVERSAL ASSETS WHOSE ENJOYMENT SHOULD BE AVAILABLE TO ALL, REGARDLESS OF THEIR FINANCIAL RESOURCES.

AS THE MINISTER RESPONSIBLE FOR ARTS AND CULTURE, AND IN LIGHT OF THE EXISTING CO-OPERATION BETWEEN THE GOVERNMENT AND THE CULTURAL WORLD, I AM PARTICULARLY HAPPY TO REVIEW WITH YOU THE CURRENT SITUATION IN THIS FIELD. THE DISTINGUISHED CANADIANS WHO HAVE HEADED THE CANADIAN CONFERENCE OF THE ARTS - WHETHER WE SPEAK OF SINGER MICHELINE TESSIER, SCULPTOR HENRY PURDEY, FILMMAKER ALLAN KING OR PRODUCER MICHAEL DOBBIN - TRANSFORMED THESE REGULAR MEETINGS INTO SOMETHING MORE THAN STANDARDIZED EXCHANGES. THEY ARE, INSTEAD, THE HIGH POINTS OF A CONTINUING DIALOGUE.

1.1 THE CONFERENCE THEME

THE THEME OF YOUR CONFERENCE THIS YEAR, ARTS AND THE MEDIA, IS PARTICULARLY IMPORTANT, SINCE ARTS AND CULTURE OCCUPY CONSTANTLY INCREASING SPACE IN THE MEDIA. THIS SEEMS TO REFLECT A DESIRE THROUGHOUT OUR SOCIETY TO PLACE GREATER EMPHASIS ON THE QUALITY OF OUR DAILY LIVES. ARTISTS AND MEDIA WORKERS, YOU HAVE SUCCEEDED IN CREATING A DYNAMIC RELATIONSHIP BETWEEN YOURSELVES, WHICH MEETS THE UNQUESTIONABLE INTEREST OF OUR POPULATION FOR THE WORLD OF TRUE VALUES, THAT IS, FOR EVERYTHING IN HUMAN EXISTENCE THAT IS IN ITSELF INTANGIBLE AND IMPONDERABLE. IT IS ON THE BASIS OF THESE IMPONDERABLES, ABOVE ALL, THAT HISTORY WILL JUDGE OUR CIVILIZATION. AS ANDRE MALRAUX WROTE IN LE MUSEÉ IMAGINAIRE: "THOUGH ATHENS ITSELF WAS NEVER WHITE, ITS WHITENED STATUES DICTATED THE ARTISTIC SENSIBILITY OF EUROPE".

I ALSO WANT TO USE THIS OPPORTUNITY TO INDICATE TO YOU HOW THE GOVERNMENT SEES THE ROLE OF ARTS AND CULTURE IN THE CONTEXT OF THE OVERALL POLITICAL OBJECTIVES IT ESTABLISHED LAST FALL. I WILL, THEREFORE, SKETCH THE CURRENT SITUATION, PLACING IT IN ITS HISTORIC CONTEXT. THIS WILL ALLOW US TO OUTLINE THE TRULY CANADIAN PROBLEMS IN ARTS AND CULTURE. I WILL THEN BE ABLE TO EXPLAIN OUR SPECIFIC PLANS FOR THE COMING YEAR.

1.2 THE CANADIAN CONFERENCE OF THE ARTS

ARTISTS HAVE ALWAYS BEEN KNOWN FOR THEIR SPIRIT OF INDEPENDENCE. BUT THE EFFICACY OF THE CANADIAN CONFERENCE OF THE ARTS SHOWS THAT YOU HAVE, PERHAPS, SIMPLY FOLLOWED THE ADVICE OF FLAUBERT, WHO ADVISED YOUNG AUTHORS TO LEAD A WELL-ORDERED MIDDLE-CLASS EXISTENCE AND, IN OTHER THINGS, TO ENDOW THEIR WORKS WITH ALL THEIR VIOLENCE AND ORIGINALITY.

AS FOR MYSELF, I INTEND TO INVOLVE THE REPRESENTATIVES OF THE ARTS AND CULTURE FIELDS EVER MORE CLOSELY IN THE DEVELOPMENT OF GOVERNMENT POLICIES.

LAST MONTH, I ANNOUNCED A FUNDAMENTAL REVIEW OF THE BROADCASTING ACT. I SHARE THE HOPE OF ALL MY COLLEAGUES IN THE GOVERNMENT THAT YOU WILL PLAY A FULL PART IN THIS PROCESS, WHICH WILL RESULT IN NEW LEGISLATION.

FOR THIS REASON, I SUGGESTED TO YOUR PRESIDENT, ON MAY 2, THAT THE CCA PLAN A SYMPOSIUM IN WHICH REPRESENTATIVES OF THE ARTISTIC AND THE PUBLIC AND PRIVATE BROADCASTING COMMUNITIES WOULD PARTICIPATE. I BELIEVE THAT SUCH A MEETING WILL ALLOW THE PARTICIPANTS TO BETTER IDENTIFY THE PROBLEMS TO BE OVERCOME AND THE CHALLENGES TO BE MET IF BROADCASTING IS TO PLAY A FIRST-RATE ROLE IN THE DISSEMINATION OF ARTISTIC PRODUCTS ACROSS CANADA AND IN THE WORLD MARKET.

SIMILARLY, I INVITED REPRESENTATIVES OF YOUR ORGANIZATION TO PARTICIPATE IN THE NATIONAL CONFERENCE ON THE ECONOMY, HELD IN MARCH. I WOULD ADD THAT THIS GROUP MADE A VALUABLE CONTRIBUTION TO THIS CONFERENCE. YOUR REPRESENTATIVES, INCLUDING MS. DANIELLE SUISSA, PRESIDENT OF THE ASSOCIATION DES PRODUCTEURS DU FILM DU QUÉBEC, WERE DIRECTLY INVOLVED IN ITS ORGANIZATION, AND YOUR PRESIDENT, MR. BARLOW, WAS ABLE TO ARGUE CLEARLY AND FORCEFULLY THAT YOUR SECTOR'S CONTRIBUTION WAS FULLY CONSISTENT WITH THE GOVERNMENT'S MAJOR ECONOMIC OBJECTIVES.

WHEN OUR PRIME MINISTER, MR. MULRONEY, FIRST RAISED THE POSSIBILITY OF HOLDING A CONFERENCE ON THE ECONOMY, DURING A MEETING OF THE CABINET'S PRIORITIES COMMITTEE, HE STRESSED THE NEED FOR THE PARTICIPATION OF CANADA'S ARTISTIC COMMUNITY.

THUS THE PRIME MINISTER FULLY AGREED WITH ECONOMIST JOHN KENNETH GALBRAITH, WHO WROTE THAT "WE MUST CEASE TO SUPPOSE THAT SCIENCE AND RESULTING TECHNOLOGICAL ACHIEVEMENT ARE THE ONLY EDGE OF INDUSTRIAL ADVANCE. BEYOND SCIENCE AND ENGINEERING IS THE ARTIST; WILLINGLY OR UNWILLINGLY, HE OR SHE IS VITAL FOR INDUSTRIAL PROGRESS IN THE MODERN INDUSTRIAL WORLD."

2. BACKGROUND

IN ALL CIVILIZATIONS, A CLOSE RELATIONSHIP HAS EXISTED BETWEEN ARTISTS AND GOVERNMENTS. ONE COULD ALMOST SAY THAT THEY ARE ONE AND THE SAME. "BE AN ARTIST AND YOU WILL BE STRONG, FOR ART IS STRONGER THAN WARRIORS," AFFIRMED PHILOSOPHER PTAHHOTEP SOME THREE THOUSAND YEARS BEFORE THE BIRTH OF CHRIST.

2.1 THE CANADIAN EXPERIENCE

A SIMILAR TRADITION TOOK ROOT IN THIS COUNTRY WITH THE ARRIVAL OF THE FIRST FRENCH EXPLORERS. EVEN BEFORE FOUNDING QUEBEC CITY, SAMUEL DE CHAMPLAIN SET UP A TABLE ON THE SHORES OF THE BAY OF FUNDY THAT WAS USED FOR THE BANQUETS OF THE ORDRE DU BON TEMPS, IMMORTALIZED BY LESCARBOT IN HIS HISTOIRE DE LA NOUVELLE-FRANCE.

THE 1951 ROYAL COMMISSION ON NATIONAL DEVELOPMENT IN THE ARTS, LETTERS AND SCIENCES, WHICH WAS HEADED BY THE HONOURABLE VINCENT MASSEY AND HAD THE PARTICIPATION OF FATHER GEORGES-HENRI LEVESQUE, WAS FORMED BECAUSE THE GOVERNMENT RECOGNIZED THAT "IT IS DESIRABLE THAT THE CANADIAN PEOPLE SHOULD KNOW AS MUCH AS POSSIBLE ABOUT THEIR COUNTRY, ITS HISTORY AND TRADITIONS, AND ABOUT THEIR NATIONAL LIFE AND COMMON ACHIEVEMENTS." THE CANADIAN CONFERENCE OF THE ARTS HAD CALLED FOR SUCH AN INQUIRY SINCE ITS FOUNDING.

THE IMPACT OF CULTURAL INSTITUTIONS ON THE SOCIAL LIFE OF CANADIANS WAS SUCH THAT IT WAS URGENTLY NECESSARY TO STUDY THEIR EFFECTS. TO THIS END. IT WAS NECESSARY TO DISCOVER THE MOST EFFECTIVE MEANS OF ADMINISTERING SUCH INSTITUTIONS "IN THE NATIONAL INTEREST AND WITH FULL RESPECT FOR THE CONSTITUTIONAL JURISDICTION OF THE PROVINCES."

AFTER REFLECTING ON THE SUBJECT AND HOLDING A NUMBER OF PUBLIC HEARINGS, THE COMMISSIONERS HAD TO CONCLUDE THAT THEIR TASK CONCERNED "NOTHING LESS THAN THE SPIRITUAL FOUNDATIONS OF OUR NATIONAL LIFE. CANADIAN ACHIEVEMENT IN EVERY FIELD DEPENDS MAINLY ON THE QUALITY OF THE CANADIAN MIND AND SPIRIT. THIS QUALITY IS DETERMINED BY WHAT CANADIANS THINK, AND THINK ABOUT, BY THE BOOKS THEY READ, THE PICTURES THEY SEE AND THE PROGRAMS THEY HEAR. THESE THINGS, WHETHER WE CALL THEM ARTS AND LETTERS...WE BELIEVE TO BE AT THE ROOTS OF OUR LIFE AS A NATION."

2.2 THE PROBLEM

THE MASSEY-LEVESQUE COMMISSION WAS QUICK TO RECOGNIZE CANADA'S UNUSUAL SITUATION WITH REGARD TO ARTS AND CULTURE. "IN THIS COUNTRY WE HAVE TWO PROBLEMS. ONE IS COMMON TO ALL STATES, THE OTHER IS PECULIAR TO OURSELVES. FIRST, HOW CAN GOVERNMENT AID BE GIVEN TO PROJECTS IN...THE ARTS AND LETTERS WITHOUT STIFLING EFFORTS WHICH MUST SPRING FROM THE DESIRES OF THE PEOPLE THEMSELVES? SECOND, HOW CAN THIS AID BE GIVEN CONSISTENTLY WITH OUR FEDERAL STRUCTURE AND IN HARMONY WITH OUR DIVERSITIES?"

TODAY, THIRTY YEARS LATER, THE PROBLEM IS STILL WITH US. IT IS IMPERATIVE THAT WE GAIN A FIRM HOLD ON THE TOOLS OF OUR CULTURAL DEVELOPMENT.

3. A NEW GOVERNMENT

LAST SEPTEMBER 4, THE VAST MAJORITY OF CANADIANS GAVE THE PROGRESSIVE CONSERVATIVE PARTY A MANDATE TO FORM A NEW GOVERNMENT AND BRING ABOUT CHANGE. THE GOVERNMENT DOES NOT VIEW CHANGE AS AN END IN ITSELF. BUT WE DO CONSIDER THAT A GREAT MANY WIDE-RANGING MEASURES ARE CALLED FOR, PARTICULARLY IN THE FUNDAMENTAL AREA OF ARTS AND CULTURE.

WE FEEL THAT THE MOMENT HAS NOW ARRIVED, AS WE EMBARK UPON A NEW MANDATE, TO ACHIEVE THE SYNTHESIS OF THE CONCEPTS THAT HAVE BEEN SOUGHT FOR MANY YEARS AND TO GIVE CANADA CULTURAL POLICIES THAT REFLECT THE LEVEL OF MATURITY OF OUR SOCIETY. THESE POLICIES MUST CERTAINLY ECHO THE ESSENTIAL PRINCIPLES THAT ARE CLOSE TO OUR HEARTS; BUT THEY MUST ALSO AIM AT AN INCREASINGLY EFFECTIVE REPRESENTATION OF OUR ARTISTIC AND CULTURAL HERITAGE.

3.1 THE CULTURAL SITUATION

I CONSIDER IT A FUNDAMENTAL PRINCIPLE THAT THE STATE MUST PLACE ARTS AND CULTURE AT THE HEART OF ITS ACTIONS AS A WHOLE, AS A FOUNDATION FOR ALL THE POLICIES IT DEVELOPS AND IMPLEMENTS.

TO THIS END, I HAVE ALREADY TAKEN STEPS TOWARD REDEFINING THE PLACE OF CULTURE AND THE ARTS WITHIN THE GOVERNMENT OF CANADA ITSELF. MY RESOLVE, LIKE THAT OF MY COLLEAGUES, IS FIRM; BUT THE FACT REMAINS THAT THIS POINT OF VIEW IS NOT PART OF CANADIAN POLITICAL TRADITION. INDEED, OUR GOVERNMENTS HAVE TOO OFTEN VIEWED THE ARTS AND CULTURE SECTOR AS INCIDENTAL TO THEIR POLICIES. CLEARLY, THE DEPARTMENT OF COMMUNICATIONS HAS A SPECIAL RESPONSIBILITY IN THIS AREA, BUT WE MUST SEE TO IT THAT ARTS AND CULTURE FIGURE DAILY IN ALL THE POLICIES OF ALL DEPARTMENTS.

THUS, THE DEPARTMENT OF REVENUE WILL TAKE YOUR SECTOR INTO ACCOUNT IN TERMS OF FISCAL POLICY. THE SYMPOSIUM ORGANIZED IN DECEMBER BY MY COLLEAGUE, THE HONOURABLE PERRIN BEATTY, AND ATTENDED BY REPRESENTATIVES OF THE ARTS COMMUNITY IS CLEAR EVIDENCE OF THIS INITIATIVE.

IT WAS THROUGH THIS SAME SPIRIT OF DIALOGUE AND CO-OPERATION THAT WE WERE ABLE TO ACKNOWLEDGE, FOR THE FIRST TIME, THE STATUS OF THE ARTS AND CULTURE SECTOR IN THE MANDATE OF THE NEW INVESTMENT CANADA AGENCY.

THE MINISTER OF EMPLOYMENT AND IMMIGRATION, THE HONOURABLE FLORA MACDONALD, HAS ALREADY AGREED TO MODIFY CERTAIN PROGRAMS TO ENABLE ARTISTS TO BENEFIT, LIKE ALL CANADIAN WORKERS, FROM THE SERVICES OFFERED BY THE GOVERNMENT. THE MEMBERS OF THE CULTURAL COMMUNITY ARE ASSURED, IN FUTURE, OF THEIR POSITION IN ALL THE MANPOWER PROGRAMS ESTABLISHED BY THE GOVERNMENT, INCLUDING THE ONE WHICH CALLS FOR AN INVESTMENT OF THE ORDER OF \$800 MILLION FOR THE CREATION OF NEW JOBS. THEIR REPRESENTATIVES NOW SIT ON THE REGIONAL ADVISORY COMMITTEES CALLED UPON TO FORMULATE SPECIFIC RECOMMENDATIONS CONCERNING MEASURES THAT MAY BE TAKEN WITHIN THE CONTEXT OF THIS PROGRAM.

THE MULTIPLICITY OF SOURCES FOR BOTH FINANCING AND PROGRAMS CAN ONLY FAVOR GREATER LIBERTY, WHEN THEY ARE PUT AT THE DISPOSAL OF OUR CULTURAL RESOURCES.

WE HAVE ALSO RECOGNIZED THE IMPORTANCE OF THE RELATIONSHIP BETWEEN ARTISTIC AND CULTURAL ACTIVITIES AND TOURISM. WE HAVE MADE SURE THAT THE SUBSIDIARY AGREEMENTS THE GOVERNMENT HAS MADE WITH A NUMBER OF PROVINCES IN RECENT MONTHS WILL BE THE SPECIAL MEANS OF TRANSLATING INTO ACTION THIS NEW, CO-OPERATIVE APPROACH. HERE IN MONTREAL, THE AGREEMENT ON TOURISM DEVELOPMENT WAS USED AS A WAY TO INCREASE THE FUNDS MADE AVAILABLE BY THE FEDERAL GOVERNMENT FOR CULTURAL FACILITIES, THUS PAVING THE WAY FOR THE EXPANSION OF THE MUSÉE DES BEAUX-ARTS.

ANOTHER PRINCIPAL CONCERN OF THE GOVERNMENT REMAINS THE QUESTION OF TAXATION AND ITS POSSIBLE CONTRIBUTION TO THE SUPPORT OF ARTISTIC AND CULTURAL ACTIVITIES AT BOTH INDIVIDUAL AND COMMUNITY LEVELS. ONE OF OUR GOALS IN REVIEWING TAX POLICIES WILL BE TO SEE TO IT THAT THE ARTS AND CULTURE SECTOR OBTAINS A GREATER SHARE OF PRIVATE INVESTMENT. THIS ISSUE HAS BEEN RAISED ALSO BY THE CHAIRMAN OF THE BRITISH ARTS COUNCIL, WHO ASKED WHETHER TAX BREAKS MIGHT NOT BE A MORE EFFECTIVE MEANS OF SUPPORT THAN DIRECT GRANTS IN THIS FIELD. YOU MAY REST ASSURED THAT OUR INITIATIVES IN THIS AREA WILL RESULT IN CONCRETE MEASURES.

WE MUST ALSO ACHIEVE IMPROVED CO-ORDINATION WITH OTHER FEDERAL DEPARTMENTS. THERE IS, FOR EXAMPLE, THE VITAL IMPORTANCE OF ARTISTIC AND CULTURAL EXPORTS. I HAVE ALREADY SUBMITTED PROPOSALS TO THIS EFFECT TO THREE OF MY COLLEAGUES: THE MINISTERS OF EXTERNAL AFFAIRS AND OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT, AND THE SECRETARY OF STATE.

3.2 THE FIRST ACHIEVEMENTS

SOME OF THE MOST URGENT PROBLEMS FACING US WERE OF A NATURE REQUIRING AN IMMEDIATE SOLUTION BEFORE CONSIDERATION COULD BE GIVEN TO BROADER, OVERALL POLICIES.

IT SEEMED OBVIOUS TO ME AT THE OUTSET THAT THE BROADCASTING SECTOR NEEDED SPECIAL ATTENTION. IN DECEMBER, I NOTED THAT IT WOULD BE POSSIBLE TO FIND A SPEEDY SOLUTION TO THE PROBLEM AT TELEFILM CANADA CAUSED BY SOME OF THE CRITERIA RELATED TO ACCESS TO THE CANADIAN BROADCAST PROGRAMMING DEVELOPMENT FUND. AFTER CONSULTING MEMBERS OF THE INDUSTRY, I WAS ABLE TO ANNOUNCE, IN MARCH, A NUMBER OF CHANGES THAT WILL GREATLY STIMULATE PRODUCTION OF TELEVISION PROGRAMS. THESE CHANGES REFLECT A MORE POSITIVE APPROACH TO CANADA'S REGIONS AND REMOVE OBSTACLES TO THE PARTICIPATION OF PROVINCIAL PUBLICLY OWNED CHAINS. I ALSO ENSURED THAT THE MUSIC, DANCE AND THEATRE PRODUCTIONS OF CANADIAN COMPANIES WOULD BE ELIGIBLE TO RECEIVE ASSISTANCE FROM THE FUND.

IN MARCH I ALSO MADE PUBLIC THE TERMS OF REFERENCE FOR THE FIRST IN-DEPTH REVIEW OF THE CANADIAN BROADCASTING SYSTEM IN SEVENTEEN YEARS. BEFORE THE END OF MAY, THE TASK FORCE WHOSE MEMBERSHIP I ANNOUNCED LAST WEEK WILL SET TO WORK, AFTER HOLDING CONSULTATIONS WITH THE MAJOR PLAYERS, INCLUDING THE CANADIAN CONFERENCE OF THE ARTS. IT WILL SUBMIT A REPORT TO ME BY JANUARY 15, 1986. I WILL USE THIS REPORT TO PREPARE A WHITE PAPER, WHICH WILL BE THE BASIS OF PUBLIC DISCUSSION BEFORE A NEW ACT IS DRAFTED.

I RECENTLY HAD THE OPPORTUNITY, BEFORE A PARLIAMENTARY COMMITTEE, TO STRESS THE URGENCY OF A REVIEW OF COPYRIGHT LEGISLATION, WHICH IS A CENTRAL AND ESSENTIAL PART OF MY RESPONSIBILITIES. THIS PROCESS HAS ALREADY TAKEN A GREAT AMOUNT OF TIME, BUT I AM SURE YOU WILL AGREE THAT IT IS ABSOLUTELY NECESSARY TO ACHIEVE THE BROADEST POSSIBLE CONSENSUS ON THIS QUESTION. THE DEPARTMENT OF COMMUNICATIONS WAS HAPPY TO PROVIDE FINANCIAL SUPPORT FOR PARTICIPATION IN THE REVIEW PROCESS BY THE CANADIAN CONFERENCE OF THE ARTS, BY SPONSORING A CONGRESS AT WHICH ARTISTS WERE ABLE TO STATE THEIR POSITIONS CLEARLY.

I CAN ANNOUNCE TO YOU TODAY THAT THE CULTURAL INITIATIVES PROGRAM, WHICH FUNCTIONED ON A TEMPORARY BASIS WITHIN THE DEPARTMENT OF COMMUNICATIONS TO SUPPORT ARTISTIC AND CULTURAL ACTIVITIES, NOW ENJOYS A PERMANENT STATUS. THIS DECISION ELOQUENTLY TESTIFIES TO THE IMPORTANCE THAT THE GOVERNMENT PLACES ON THE CULTURAL SECTOR, EVEN IN THIS PERIOD OF BUDGETARY RESTRAINT.

3.3 A NEW APPROACH

IN ORDER TO DEFINE THESE POLICIES AND ENSURE EFFECTIVE PLANNING, THE GOVERNMENT OF WHICH I AM A REPRESENTATIVE MUST HAVE CLOSE AND CONTINUOUS CONSULTATIONS WITH PROVINCIAL MINISTERS, REPRESENTATIVES OF OTHER LEVELS OF GOVERNMENT, THE PRIVATE SECTOR AND, FIRST AND FOREMOST, THE ARTISTIC AND CULTURAL COMMUNITIES.

WHEN I WAS APPOINTED MINISTER LAST FALL, IT SEEMED TO ME MOST IMPORTANT TO RENEW THE DIALOGUE WITH OUR PROVINCIAL PARTNERS. I HAVE THEREFORE GIVEN PRIORITY TO MEETINGS WITH EACH OF MY PROVINCIAL COUNTERPARTS, IN ORDER TO LAY FOUNDATIONS FOR CO-OPERATION; WITHOUT THIS, THERE WOULD BE NO POINT IN TALKING OF GOOD MANAGEMENT. I WAS EXTREMELY SURPRISED AND SORRY TO LEARN THAT IN A NUMBER OF INSTANCES THERE HAD BEEN NO REGULAR CONTACT ON ARTS AND CULTURE MATTERS WITH THE GOVERNMENT IN OTTAWA.

I BELIEVE I HAVE RE-ESTABLISHED AN ATMOSPHERE OF TRUST. THIS WAS EVIDENT AT THE FEDERAL-PROVINCIAL CONFERENCE IN FEBRUARY, AND I WAS ABLE TO BEGIN CONSULTATIONS WITH REPRESENTATIVES OF THE SECTOR. SINCE JANUARY, I HAVE TAKEN ADVANTAGE OF EVERY OPPORTUNITY AND ACCEPTED EVERY INVITATION TO MEET WITH THE MAJOR PARTIES INVOLVED.

DURING THESE FIRST FEW MONTHS, I ALSO MET WITH THE HEADS OF ALL THE CULTURAL AGENCIES UNDER THE RESPONSIBILITY OF MY DEPARTMENT. I EXPLAINED MY OBJECTIVES TO THEM AND STRESSED THE NEED TO ACT JOINTLY FOR THE GOOD OF THE ARTISTIC COMMUNITY AND ALL CANADIANS.

I BELIEVE THAT ALL PARTIES CONCERNED MUST CONTRIBUTE TO AND PARTICIPATE IN THE DEVELOPMENT OF THIS GENERAL STRATEGY FOR ARTS AND CULTURE.

3.4 A FAVORABLE CLIMATE

THE CHALLENGE IS GREAT, BUT THE STAKES ARE JUST AS GREAT. OUR GOVERNMENT HAS MADE A COMMITMENT TO REVIEW ITS CULTURAL POLICIES AND ESTABLISH POLICIES THAT REFLECT ITS VISION OF THIS COUNTRY.

THE LAST FEW MONTHS HAVE BEEN SPENT ESTABLISHING A CLIMATE FAVORABLE TO THIS INITIATIVE. WE HAVE HELD CONSULTATIONS WITH THE GREATEST POSSIBLE NUMBER OF REPRESENTATIVES OF CANADIAN SOCIETY AND ESTABLISHED A NEW SPIRIT OF CO-OPERATION WITH THE PROVINCES. HISTORY WILL NOT FORGIVE US IF WE MISS THIS OPPORTUNITY TO PROVIDE OUR COUNTRY WITH AN OVERALL POLICY IN THE AREAS OF ARTS AND CULTURE.

CANADA IS NOT A UNITARY STATE, AND THE MANAGEMENT OF CULTURE IS STILL A GREY AREA IN OUR POLITICAL HERITAGE. I WOULD LIKE TO SAY, HOWEVER, THAT CANADIANS HAVE BROUGHT TO POWER A PARTY THAT IS COMMITTED TO TREATING THE PROVINCES AS GENUINE PARTNERS, THAT WELCOMES AND PROMOTES REGIONAL STRENGTH AND VITALITY, AND THAT CONSIDERS DIVERSITY A VITAL FORCE IN OUR SOCIETY.

THIS COUNTRY'S DIVERSITY AND COMPLEXITY IN THE POLITICAL AND SOCIAL PLANES MAKE THE ESTABLISHMENT OF A GENERAL, COLLABORATIVE POLICY A DIFFICULT TASK. YET OUR EFFORTS WILL HAVE TO YIELD SPECIFIC RESULTS IF WE ARE TO EFFECTIVELY MANAGE CANADIAN CULTURE WHILE RESPECTING OUR PROVINCIAL PARTNERS, THE VARIETY OF NEEDS, AND THE ROLE OF THE ARTISTIC AND CULTURAL COMMUNITY.

3.5 QUEBEC CULTURE

I HAVE ALWAYS TAKEN ADVANTAGE OF MEETINGS SUCH AS THIS TO MAKE SPECIAL MENTION OF THE CULTURAL CONTRIBUTION OF THE CITY, REGION, AND PROVINCE IN WHICH I SPEAK. I CONSIDER IT MY ROLE, AS MINISTER RESPONSIBLE FOR ARTS AND CULTURE, TO DRAW ATTENTION TO THIS ASPECT OF OUR COMMON IDENTITY.

MY PRESENCE HERE IN MONTREAL AND QUEBEC IS PARTICULARLY IMPORTANT TO ME. I AM AND SHALL ALWAYS REMAIN A QUEBECER AND, LIKE ALL QUEBECERS, I FEEL, WITH ALL MY COMPATRIOTS, GREAT PRIDE AND DEEP ATTACHMENT TO THE CULTURE IN WHICH WE WISH TO LIVE AS FRANCOPHONES: A CULTURE THAT IS UNIQUE, YET PART OF THE CANADIAN REALITY.

ON BEHALF OF MY DEPARTMENT AND THE ENTIRE GOVERNMENT, I ASSURE ALL QUEBECERS THAT OUR AIM IS NOT TO IMPOSE A RIGID STRUCTURE THAT WILL DESTROY CULTURE IN THIS COUNTRY IN THE NAME OF AN UNREALISTIC AND NARROW-MINDED VISION OF CANADA.

I WOULD ALSO STRESS THAT AS A QUEBECER, A FRANCOPHONE AND MINISTER OF A GOVERNMENT SUPPORTED BY THE VAST MAJORITY OF PEOPLE IN EVERY REGION OF CANADA, I HAVE A FUNDAMENTAL RIGHT TO BRING THIS PROCESS OF CULTURAL REVIEW TO A SUCCESSFUL COMPLETION. THERE ARE SOME WHO CONTEST THIS RIGHT, SUCH AS THE COLUMNIST OF AN EDMONTON NEWSPAPER WHO IN DECEMBER WROTE THAT A MINISTER FROM QUÉBEC WOULD NEVER BE ABLE TO ADEQUATELY FULFILL HIS RESPONSIBILITIES IN THE AREA OF CULTURE BECAUSE HE CAME FROM A PROVINCE "WHICH HAS ALWAYS HAD THE MOST RETROGRADE ARTS POLICY OF ANY IN THE COUNTRY."

IN 1839, LORD DURHAM WROTE THAT FRENCH CANADIANS WERE A PEOPLE "WITH NO HISTORY, AND NO LITERATURE," BECAUSE THEY HELD ON TO THEIR LANGUAGE AND THEIR CUSTOMS. FRANÇOIS-XAVIER GARNEAU REFUTED THIS CALUMNY SIMPLY BY THE PUBLICATION OF HIS MONUMENTAL HISTORY OF CANADA IN 1945. OUR HISTORY, OUR CONTRIBUTION TO THE BUILDING OF A CANADIAN SOCIETY WHOSE CULTURE DIFFERS FROM THAT OF THE UNITED STATES, THE GREAT CULTURAL EXPLOSION WHICH HAS ROCKED QUEBEC SINCE THE FIFTIES AND HAD REPERCUSSIONS THROUGHOUT THE ENTIRE COUNTRY AND BEYOND - ALL THESE ARE ELOQUENT ARGUMENTS AGAINST SUCH SLURS THAT, UNFORTUNATELY, ARE STILL UTTERED TODAY.

I CANNOT HELP SPEAKING OUT, HERE IN QUEBEC, AGAINST SUCH ALLEGATIONS, WHICH UNDERMINE THE UNITY OF THE COUNTRY UNDER THE PRETENSE OF DEFENDING IT. THIS PEOPLE, WHOSE ANCESTORS IN THE SIXTEENTH, SEVENTEENTH AND EIGHTEENTH CENTURIES EXPLORED, MAPPED AND COMMERCIALY EXPLOITED THE NORTH AMERICAN CONTINENT FROM THE GULF OF ST. LAWRENCE TO THE ROCKIES, AND FROM NORTH OF THE GREAT LAKES TO THE GULF OF MEXICO, MARKING NORTH AMERICA WITH THE INDELIBLE IMPRINT OF PLACE NAMES - DOES THIS PEOPLE LACK A CULTURE? THE CITIES OF DETROIT, DES MOINES, TERREHAUTE, DAUPHIN, PIERRE, TO MENTION ONLY A FEW, ARE A CONSTANT REMINDER OF THIS PRESENCE.

THIS PEOPLE WHOSE EXPLORERS, MISSIONARIES, OFFICERS AND MERCHANTS PUBLISHED INNUMERABLE ACCOUNTS, SUCH AS THOSE BY THE JESUITS, AND NARRATIVES, SUCH AS THOSE BY CHARLEVOIX, ON THE GEOGRAPHY OF THE COUNTRY, ITS RICHES, THE INDIAN TRIBES, THEIR MANNERS, THEIR CUSTOMS, GOING SO FAR AS TO LEARN THE LANGUAGES OF THE NATIVES AND PUBLISH THEIR GRAMMARS - DOES THIS PEOPLE LACK A CULTURE?

THE PEOPLE WHO, AS FAR BACK AS THE SEVENTEENTH CENTURY, LINED THE VALLEY OF THE ST. LAWRENCE WITH SCHOOLS, A COLLEGE, EVEN THE BEGINNINGS OF A UNIVERSITY, HOSPITALS AND LIBRARIES, AND WHOSE SOCIETY DISTINGUISHED ITSELF IN VARIOUS AREAS INCLUDING ARCHITECTURE - WITH ONE OF ITS MOST SHINING EXAMPLES THE CANADIAN HOME OF THE MID-EIGHTEENTH CENTURY - THE SILVERSMITH'S TRADE, WITH THE LAURENT AMIOTS AND THE FRANÇOIS RANVOYZÉS; AND THAT OF THE CABINETMAKER, WITH PIERRE-FLORENT, FRANÇOIS AND THOMAS BAILARGÉL - DOES THIS PEOPLE LACK A CULTURE?

IT IS ONLY NECESSARY TO RECALL THAT LAVAL UNIVERSITY, FOUNDED ON QUEBEC SOIL IN 1655, IS THE SECOND OLDEST INSTITUTE OF HIGHER LEARNING IN NORTH AMERICA.

ONE MIGHT ALSO POINT OUT THAT, AT THIS SAME TIME, MONSEIGNEUR DE LAVAL AND "INTENDANT" JEAN TALON ESTABLISHED THE ÉCOLE DE SAINT-JOACHIM NEAR CAP TOURMENTE. THIS SCHOOL WAS, BEYOND THE SHADOW OF A DOUBT, ONE OF THE FIRST CENTRES ON THE NORTH AMERICAN CONTINENT DEVOTED EXCLUSIVELY TO THE TRAINING OF ARTISTS AND ARTISANS.

THOSE ENLIGHTENED BOURGEOIS FRANCOPHONES WHO, IN 1780-1790, BEGAN TO WRITE IN INTELLECTUAL JOURNALS AND PHAMPHLETS ABOUT THE CONTRACTUAL RELATIONSHIP BETWEEN THOSE WHO GOVERN AND THOSE WHOM THEY GOVERN, ABOUT LIBERTY, IN SHORT ABOUT VALUES OF THE ENLIGHTENMENT - WERE THEY LACKING IN CULTURE? THE PIERRE BÉDARDS, FRANÇOIS BLANCHETS AND OTHER FRENCH-CANADIAN POLITICAL LEADERS WHO WERE IMPRISONED IN 1810 FOR HAVING BEEN THE FIRST IN NORTH AMERICA WHO UNDERSTOOD ALL TOO CLEARLY THE NEED FOR RESPONSIBLE GOVERNMENT AND THE CONTROL OF SUBSIDIES - WERE THEY LACKING IN CULTURE? THE LOUIS-JOSEPH PAPINEAUS, DENIS-BENJAMIN VIGERS AND OTHER "PATRIOTS" WHO, WITH THE RADICALS OF UPPER CANADA AND BEYOND DURING THE 1837-1838 REBELLIONS, WOULD FORM THE VANGUARD OF A DEMOCRATIC AND INDEPENDENT GOVERNMENT HANDED OVER IN 1848 TO AN ALLIANCE OF REFORMISTS COMPRISED OF BOTH FRENCH AND ENGLISH CANADIANS - WERE THEY LACKING IN CULTURE?

THE THOUSANDS OF FRENCH CANADIANS WHO FOUGHT FROM 1812 TO 1815 TO PRESERVE A POLITICAL AND CULTURAL ENTITY IN NORTH AMERICA WHICH WOULD BE SEPARATE FROM THE UNITED STATES - WERE THEY LACKING IN CULTURE?

IN THE MIDDLE OF THE NINETEENTH CENTURY, GARNEAU WAS THE FIRST REAL CANADIAN HISTORIAN. LATER THE WORKS OF OGAS LEDUC WERE TO EMBELLISH A NUMBER OF OUR MUSEUMS. AND THE POETRY OF NELLIGAN HAS NO EQUIVALENT IN HIS EPOCH IN CANADA. I COULD NAME INNUMERABLE ARTISTS, ARTISANS, WRITERS, SAVANTS, POLITICIANS AND EDUCATORS WHOSE COMBINED EFFORTS ALLOWED A WEAK MINORITY IN NORTH AMERICA TO MAINTAIN ITS CULTURE AND EVEN TO CONTRIBUTE IN A SIGNIFICANT WAY TO THAT DIFFERENCE THAT DISTINGUISHES CANADA FROM THE UNITED STATES.

AND, LEAVING HISTORY BEHIND FOR THE CANADA OF TODAY, WHO CAN IGNORE THE CONTRIBUTION OF FRANCOPHONES, AND QUEBECERS IN PARTICULAR, TO THE FORGING OF A MORE EQUITABLE SOCIETY, TO THE CONSTRUCTION OF A MORE COMPASSIONATE, MORE BEAUTIFUL, MORE DEMOCRATIC CANADA, OPEN TO ITS OWN DIVERSITIES AND TO THE REST OF THE WORLD? IS THERE ANY NEED TO RECALL THE IMPACT OF THE ARTISTS, THE BORDUAS, RIOPELLES, PELLANS, LEMIEUX AND OTHERS, OR TO RELIVE THE RECENT SUCCESSES OF THE MONTREAL SYMPHONY ORCHESTRA OR OF OUR WRITERS AND FILMMAKERS WHO HAVE WON HONORS BOTH IN CANADA AND ABROAD?

I WILL STOP HERE BECAUSE I KNOW HOW IMPOSSIBLE IT IS TO DO JUSTICE, IN ONLY A FEW MINUTES, TO A LIVING CULTURE THAT HAS ROOTS EXTENDING SO DEEP INTO THE PAST, AND WHICH WILL LIVE ON IN ITS DYNAMIC AND PROMISING YOUTH. I WILL SIMPLY ADD THAT CANADA IS A COMPLEX NATION. IT IS A MOSAIC OF PEOPLES AND CULTURES WHOSE VARYING CONTINUANCES, HISTORIES AND RATES OF EVOLUTION HAVE CONTRIBUTED TO THE CREATION OF A COUNTRY OF LIMITED IDENTITIES. THERE IS NO INCOMPLETION HERE, NO PAUCITY OF BEING, BUT A WEALTH FROM WHICH WE MUST LEARN TO BENEFIT - A SHARING AND EXCHANGE BETWEEN VARIOUS CULTURES THAT NEVERTHELESS HOLD A NUMBER OF COMMON VALUES AND WHICH ARE WEAVING, SLOWLY BUT SURELY, A SHARED HISTORICAL TAPESTRY IN WHICH EACH THREAD MAINTAINS ITS OWN IDENTITY.

4. DEFINITION OF A CULTURAL POLICY

IT IS OUR DUTY TO GOVERN, BUT IT IS THROUGH DIALOGUE THAT WE WISH TO ESTABLISH OUR CULTURAL POLICIES. IN DISCUSSIONS WITH MY PROVINCIAL COUNTERPARTS, I WILL SEEK COMPLEMENTARY WAYS OF CO-ORDINATING THE ACTION OF OUR RESPECTIVE GOVERNMENTS. I CONSIDER IT ESSENTIAL, FOR INSTANCE, THAT ALL LEVELS OF GOVERNMENT AGREE ON, AMONG OTHER THINGS, A COMMON APPROACH TO PAYMENT FOR PUBLIC USE OF AUTHORS' WORKS, AS WELL AS THE SUPPORT OF MUSEUMS, GALLERIES, PERFORMANCE HALLS AND OTHER COMPONENTS OF THE INFRASTRUCTURE REQUIRED BY THE CANADIAN ARTISTIC COMMUNITY. I INTEND TO SUBMIT MORE SPECIFIC PROPOSALS IN THESE AREAS TO MY PROVINCIAL COLLEAGUES IN SEPTEMBER.

4.1 COMMITMENT OF THE ARTISTIC COMMUNITY

YOU HAVE A PARTICULAR RESPONSIBILITY TO THE PROFESSION YOU HAVE ADOPTED AND TO THE SOCIETY WHICH YOU SERVE. IT WOULD BE IMPRACTICAL TO TRY TO ESTABLISH A CULTURAL POLICY WITHOUT INPUT FROM THE MEMBERS OF THE ARTISTIC COMMUNITY. THAT IS WHY I HAVE COME HERE TODAY TO SEEK YOUR SUPPORT AND, EVEN MORE, YOUR COMMITMENT. I REPEAT - THE GOVERNMENT FAVORS ARTS AND CULTURE, AND IT WILL GIVE YOUR INDUSTRY A LEADING ROLE IN THE MAJOR POLICIES IT WILL BRING TO THE COUNTRY.

5. CONCLUSION

IN THE LAST FOUR DECADES, THE CANADIAN CONFERENCE OF THE ARTS HAS COHESIVELY AND VIGOROUSLY CHAMPIONED THE VIEWS OF THE CANADIAN ARTISTIC COMMUNITY. THE STRUCTURES YOU HAVE ADOPTED HAVE MADE IT POSSIBLE TO MAINTAIN AN ONGOING DIALOGUE WITH THE VARIOUS GOVERNMENTS. I THEREFORE HAVE EVERY CONFIDENCE THAT, INDIVIDUALLY AND COLLECTIVELY, YOU WILL BE EQUAL TO THE APPEAL THAT I HAVE MADE TO YOU TONIGHT. YOU KNOW YOUR COMMUNITY AND ITS NEEDS, YOU HAVE THE WILL TO REACH THOSE WHO WERE UNABLE TO PARTICIPATE IN THE DECISION-MAKING PROCESS IN THE PAST AND, IN PARTICULAR, YOU HAVE DEMONSTRATED YOUR ABILITY TO VOICE CLEARLY AND COHESIVELY THE POSITION OF THE LEADERS OF THE ARTISTIC COMMUNITY.

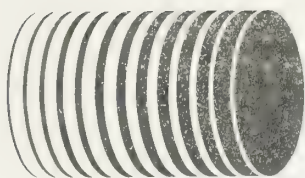
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OUR PARTY HAS SHOWN IN THE PAST THAT IT IS COMMITTED TO CANADIAN CULTURE. IT HAS COURAGEOUSLY DEFENDED ITS POSITIONS AND ITS VISION FOR OF THIS COUNTRY. A VAST MAJORITY OF CANADIANS CLEARLY UNDERSTOOD, LAST SUMMER WHEN MY COLLEAGUES AND I CRISSCROSSED THIS GREAT LAND OF OURS, THAT WE WERE PROPOSING MORE IN THE WAY OF CHANGE THAN A MERE SLOGAN. THIS CHANGE WAS ROOTED IN THE VERY BASIS OF A POLITICAL DOCTRINE THAT DICTATED A NEW APPROACH TO PROBLEMS AND A DIFFERENT WAY OF SOLVING THEM. THIS CHANGE BEGAN LAST SEPTEMBER 4, AND I STRONGLY URGE THAT YOU JOIN US IN OUR NEW APPROACH.

THANK YOU.

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COMMUNICATIONS

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TOWARDS A NEW ERA

"It's true, glory is attractive...
But people forget that, to enjoy it
for just one year, nature forces us
to dine 365 times."

- Beaumarchais

STATEMENT BY
THE HONOURABLE MARCEL MASSE
M.P. FOR FRONTENAC
MINISTER OF COMMUNICATIONS
TO THE SUB-COMMITTEE OF THE
SUB-COMMITTEE ON COMMUNICATION
AND CULTURE ON THE REVISION
OF COPYRIGHT

MAY 9, 1985

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MR. CHAIRMAN:

I AM PLEASED AND HONOURED TO BE WITH YOU TODAY AS YOU BEGIN THE STUDY OF A QUESTION THAT IS AS IMPORTANT AS IT IS COMPLEX : THE REVISION OF THE CANADIAN COPYRIGHT LAW, WHICH HAS NOT BEEN MODIFIED FOR MORE THAN 60 YEARS.

INTRODUCTION

AWARE OF THE FACT THAT YOUR WORK WILL HAVE FAR-REACHING IMPLICATIONS FOR POLICY AREAS INVOLVING CULTURE AND COMMUNICATIONS, AS WELL AS FOR ECONOMIC GROWTH AND SOCIAL JUSTICE, I AM EAGER TO SHARE MY VIEWS AND CONCERNS ON THIS SUBJECT WITH YOU.

AFTER A BRIEF HISTORY OF CANADIAN AND FOREIGN LEGISLATION RELEVANT TO COPYRIGHT, I SHALL DESCRIBE THE NEW TECHNOLOGICAL DEVELOPMENTS AND CULTURAL, ECONOMIC, AND INTERNATIONAL FACTORS WHICH NOW MAKE REVISION OF THE LAW IMPERATIVE.

COPYRIGHT REVISION IS ONE OF MY HIGHEST PRIORITIES AS MINISTER RESPONSIBLE FOR COMMUNICATIONS AND CULTURAL AFFAIRS. WHY? BECAUSE CANADIANS' SELF-EXPRESSION AND FUTURE CULTURAL DEVELOPMENT ARE LARGELY DEPENDANT ON THE VITALITY OF OUR PUBLISHING, FILM, RECORDING AND BROADCASTING INDUSTRIES, BUT ABOVE ALL, ON OUR AUTHORS, FOR WHOM WE MUST PROVIDE ENCOURAGEMENT AND PROTECTION. (IN COPYRIGHT PARLANCE THE WORD "AUTHORS" REFERS TO ALL TYPES OF CREATORS.)

WE MUST, THEREFORE, CREATE IN CANADA A CLIMATE WHERE CULTURE CAN THRIVE. TO DO THIS, WE MUST, ON THE ONE HAND, PROTECT AND ENCOURAGE CREATIVE ENDEAVOURS, AND ON THE OTHER HAND, ENSURE THAT THE WORKS WHICH ARE THE FRUIT OF SUCH ENDEAVOURS ARE WIDELY ACCESSIBLE. COPYRIGHT LAW IS THE KEY LINK IN THE CHAIN THAT JOINS AUTHOR TO PRODUCER, TO DISTRIBUTOR, AND ULTIMATELY TO THE PUBLIC AT LARGE. TODAY, THE MEANS BY WHICH CREATIVE WORKS REACH THEIR AUDIENCE ARE MORE NUMEROUS AND HIGHLY-DEVELOPED THAN EVER. WHILE PUBLISHING, FILM DISTRIBUTION, AND SOUND RECORDINGS REMAIN IMPORTANT, THEY HAVE NOW BEEN JOINED BY ELECTRONIC

BROADCASTING, SATELLITES, AND CABLE OPERATIONS. HOWEVER, WITHOUT COPYRIGHT, AUTHORS DO NOT HAVE SUFFICIENT INCENTIVE TO PRODUCE WORKS FOR SUCH COMMUNICATIONS SYSTEMS. THUS, PRODUCTION AND DISSEMINATION ARE INTERDEPENDENT: EACH STRENGTHENS THE OTHER.

AS MINISTER RESPONSIBLE FOR COMMUNICATIONS AND CULTURAL AFFAIRS, IT IS MY RESPONSIBILITY TO ENSURE THAT OUR COPYRIGHT LEGISLATION FOSTERS THE CREATION OF CANADIAN CULTURAL PRODUCTS AND THAT OUR COMMUNICATIONS SYSTEMS PROMOTE THESE PRODUCTS.

INDIVIDUAL AUTHORS LOOK TO COPYRIGHT LEGISLATION FOR THE PROTECTION OF THEIR WORKS. IN CANADA, COPYRIGHT LAW GIVES AUTHORS THE RIGHT TO CONTROL THE USE OF THEIR CREATIONS. THAT IS, IN KEEPING WITH OUR EUROPEAN HERITAGE, WE REGARD AN AUTHOR'S WORK AS THE EXPRESSION OF HIS PERSONALITY. THE FRUIT OF CREATIVITY IS THE PROPERTY OF THE CREATOR; THIS MAY SEEM A TRUISM TODAY, BUT IT TOOK CENTURIES FOR THIS PRINCIPLE TO BECOME ESTABLISHED.

1) ORIGINS OF COPYRIGHT LAW

THROUGHOUT HISTORY, AUTHORS HAVE SUFFERED FROM THE PIRACY OF THEIR WORKS. THERE WERE PASSING REFERENCES IN ANCIENT TIMES TO THE "PLAGIARISM" OF AUTHORS, A TERM COINED BY THE ROMAN POET, MARTIAL. IN 561 A.D., AN IRISH COPYRIGHT CASE AROSE FROM THE HAND-COPYING OF A PRAYER BOOK. THE DECISION OF THE COURT WAS, ESSENTIALLY, "TO EVERY COW HER CALF, TO EVERY BOOK ITS COPY". IT WAS, HOWEVER, AS A RESULT OF GUTENBERG'S INVENTION OF THE PRINTING PRESS -- WHICH MADE POSSIBLE THE REPRODUCTION AND WIDE DISSEMINATION OF WRITTEN WORKS -- THAT THE QUESTION OF COPYRIGHT SEIZED PUBLIC ATTENTION AND THE DEBATES BEGAN WHICH WERE RESOLVED TWO CENTURIES LATER WITH THE FORMAL RECOGNITION OF AUTHORS' RIGHTS OF PROPERTY OVER THEIR CREATIONS.

ENGLAND, THE FIRST COUNTRY TO USE THE PRINTING PRESS ON A WIDE SCALE, HAD TO ESTABLISH SOME MECHANISM FOR THE PROTECTION OF ITS AUTHORS. UNTIL THE 18TH CENTURY, ENGLISH AUTHORS SOLD THEIR WORKS FOR CASH TO THE PRINTER, WHO THEN HAD THE RIGHT TO COPY AND WHO POCKETED THE PROFITS, WITHOUT HAVING TO PAY ANY FURTHER ROYALTIES TO THE AUTHOR WHATSOEVER. IN 1710, BY ACCORDING THE RIGHT TO COPY TO AUTHORS THEMSELVES, QUEEN ANNE LAID THE FOUNDATION FOR A PROPOSITION

FUNDAMENTAL TO MODERN LAW REGARDING COPYRIGHT AND INTELLECTUAL PROPERTY: THAT NO WORK MAY BE USED IN ANY FORM WITHOUT THE CONSENT OF THE AUTHOR OR OTHER COPYRIGHT HOLDER FOR THE PERIOD OF PROTECTION GRANTED BY THE LAW. OTHER WESTERN COUNTRIES DID NOT PASS COPYRIGHT LAWS UNTIL THE END OF THE CENTURY: FOR INSTANCE, THE FIRST FRENCH COPYRIGHT LAW WAS PASSED IN 1782, AND THE FIRST AMERICAN ONE IN 1790.

FROM 1710 TO THE PRESENT, COPYRIGHT LAW HAS CONTINUALLY EVOLVED, BUT THE PRINCIPLE THAT COPYRIGHT BELONGS TO THE ORIGINAL AUTHOR HAS REMAINED UNQUESTIONED. THE TERM OF PROTECTION, ORIGINALLY 14 YEARS, NOW ENCOMPASSES THE AUTHOR'S ENTIRE LIFE, PLUS 50 YEARS. PLAYS, PHOTOGRAPHS, SCULPTURES, MUSIC, AND MANY OTHER TYPES OF WORK ARE NOW UNDER THE LAW'S PROTECTION. OTHER RIGHTS, SUCH AS PUBLIC PERFORMANCE, BROADCASTING, AND RECORDING HAVE BEEN ADDED THROUGH THE YEARS TO THE RIGHTS OF REPRODUCTION.

THESE VARIOUS TRANSFORMATIONS ARE LARGELY DUE TO SUCH INVENTIONS AS JACQUES DAGUERRE'S INVENTION OF PHOTOGRAPHY, GUGLIELMO MARCONI'S INVENTION OF RADIO AND THE LUMIÈRE BROTHERS' INVENTION OF MOTION PICTURES, WHICH HAVE BROUGHT CREATIVE WORKS WITHIN THE REACH OF THE GENERAL PUBLIC.

2) PRESENT SITUATION AND NEED FOR REVISION

TODAY, CREATION IN ITSELF DOES NOT ENSURE DISSEMINATION. TO REACH USERS AND AUDIENCES, LITERARY, INTELLECTUAL AND ARTISTIC WORKS MUST RELY ON THE PUBLISHING, BROADCASTING, MOTION PICTURE AND RECORDING INDUSTRIES. THE EXCLUSIVE RIGHTS GRANTED BY THE COPYRIGHT LAW ARE ESSENTIAL TO PROTECT THE INTERESTS OF ORIGINAL CREATORS.

THE CANADIAN COPYRIGHT LAW AS WE KNOW IT TODAY WAS PASSED IN 1921 AND CAME INTO EFFECT IN 1924. NOT HAVING BEEN REVISED SINCE, IT CLEARLY DOES NOT RESPOND TO THE NEEDS OF THE COMMUNICATIONS AGE. BASED ON A PRINT TECHNOLOGY, IT CANNOT DEAL WITH THE WHOLE GAMUT OF DEVICES WHICH HAVE TRANSFORMED THE ENVIRONMENT IN WHICH CANADIAN AUTHORS WORK. THE NEW TECHNOLOGIES OPEN UNPRECEDENTED AVENUES, AND POSE UNPRECEDENTED CHALLENGES, FOR CULTURAL EXPRESSION. WHOLE NEW INDUSTRIES HAVE COME INTO BEING WITH THE ADVENT OF COMPUTERS AND INFORMATION

SYSTEMS. VIDEOTEX HAS GIVEN RISE TO NEW MEDIA SUCH AS ELECTRONIC PUBLISHING, DATA BANKS, AND INFORMATION STORAGE AND RETRIEVAL. THE CANADIAN LAW OF 1924 HAS FALLEN BEHIND THOSE OF OTHER COUNTRIES SUCH AS FRANCE, GREAT BRITAIN, AND THE UNITED STATES, WHICH HAVE INTRODUCED MODIFICATIONS TO THEIR LAWS IN RECENT YEARS, AND WHERE HOLDERS OF COPYRIGHT ENJOY GREATER PROTECTION, AND ARE BETTER COMPENSATED FOR THE USE OF THEIR WORKS.

COPYRIGHT REFORM IS ALL THE MORE PRESSING AS PROGRESS IN THE FIELDS OF PHOTOCOPYING, COMPUTERS, CABLE TELEVISION, SATELLITE TRANSMISSIONS, AND VIDEOTAPING CONTINUES AT AN ACCELERATING RATE.

IN THIS PERPETUALLY CHANGING ENVIRONMENT, THE EXERCISE OF COPYRIGHT ENCOUNTERS MORE AND MORE NUMEROUS DIFFICULTIES, BECAUSE THE SAME TECHNOLOGY THAT PERMITS THE TRANSMISSION OF ORIGINAL WORKS TO EVER-GREATER AUDIENCES ALSO OPENS THE WAY FOR PIRACY. DIVERSE TECHNOLOGICAL INNOVATIONS NOW FACILITATE THE COPYING OF WORKS FOR STORAGE, FURTHER PERFORMANCE, OR USE WITHOUT AUTHORIZATION, AND IT IS BECOMING INCREASINGLY DIFFICULT TO PROTECT INTELLECTUAL PROPERTY RIGHTS BY MEANS OF TRADITIONAL LEGAL INSTRUMENTS.

TECHNOLOGICAL CHANGE IS NOT SOMETHING NEW; WHAT IS NEW IS THE RATE AT WHICH CHANGES ARE TAKING PLACE TODAY. WE NEED TO ANTICIPATE EVENTS BY MAKING SURE THAT THE LAW, ONCE REVISED, WILL PROTECT AUTHORS FROM ABUSE OR ILLEGAL USE OF PRESENT AND FUTURE INVENTIONS. TO THIS END IT IS APPROPRIATE TO MAINTAIN GENERAL RIGHTS OF REPRODUCTION, BROADCASTING, AND PERFORMANCE WITHIN A FRAMEWORK THAT WILL TAKE INTO ACCOUNT FUTURE TECHNOLOGIES.

TECHNOLOGY HAS ALSO TRANSFORMED THE MARKETPLACE. IN 1924, COPYRIGHT ENTREPRENEURS INVESTED ONLY SMALL SUMS. TODAY, WITH THE PHENOMENAL GROWTH OF THE MOTION PICTURE, RECORDING, AND BROADCASTING INDUSTRIES, CAPITALIZING ON COPYRIGHT REQUIRES CONSIDERABLE INVESTMENT IN VERY COSTLY TECHNOLOGIES. THE ECONOMIC RISKS HAVE INCREASED PROPORTIONATELY, BECAUSE THE CONSUMPTION OF CULTURAL PRODUCTS DEPENDS IN THE FINAL ANALYSIS ON THE PREFERENCES AND TASTES OF THE PUBLIC.

OUR PRESENT LAW DOES NOT TAKE THESE PHENOMENA INTO CONSIDERATION. THE ABSENCE OF PROTECTION, PARTICULARLY WITH RESPECT TO THE CULTURAL AND INFORMATION PROCESSING INDUSTRIES, IS AN OBSTACLE TO ECONOMIC GROWTH. WE MUST CREATE A FAVOURABLE CLIMATE IN WHICH THE POSSIBILITIES OFFERED BY NEW TECHNOLOGIES CAN BE EXPLOITED.

COPYRIGHT PROVIDES A LEGAL BASIS BOTH FOR THE PUBLISHING, FILM AND RECORDING INDUSTRIES AND FOR THOSE INDUSTRIES WHICH ASSURE THE DISTRIBUTION OF THEIR PRODUCTS, THAT IS, BROADCASTING, CABLE, AND SATELLITE SYSTEMS. IT IS FROM SUCH DISTRIBUTORS THAT PERFORMERS, PRODUCTION PERSONNEL, LABORATORIES, STUDIOS, PRINTERS AND BOOKSELLERS DERIVE THE GREATEST PART OF THEIR REVENUE. COPYRIGHT STIMULATES THE ECONOMY BY CREATING JOBS AND ENCOURAGING INVESTMENT. IT IS ESTIMATED THAT \$8 BILLION, OR 2.2% OF CANADA'S GROSS DOMESTIC PRODUCT, IS CONTRIBUTED BY INDUSTRIES THAT ARE DEPENDENT ON COPYRIGHT. IT IS IN THIS AREA THAT AN APPROPRIATE COPYRIGHT LAW CAN MAKE A DIRECT CONTRIBUTION TO ECONOMIC GROWTH.

THE ECONOMIC IMPORTANCE OF COPYRIGHT LAW WAS EXPLICITLY RECOGNIZED IN THE STATEMENT MADE IN THE HOUSE OF COMMONS ON NOVEMBER 8TH BY MY COLLEAGUE, THE HONOURABLE MICHAEL H. WILSON, MINISTER OF FINANCE. IN HIS DOCUMENT, A NEW DIRECTION FOR CANADA, AN AGENDA FOR ECONOMIC RENEWAL, HE CALLED ATTENTION TO THE NEED TO DISSIPATE THE CLIMATE OF UNCERTAINTY WHICH, AS A RESULT OF GOVERNMENT POLICIES OR "THE RULES OF THE GAME", WAS HANGING OVER THE CANADIAN BUSINESS COMMUNITY. MR. WILSON PARTICULARLY STRESSED THE NEED TO REVISE THE CANADIAN COPYRIGHT LAW.

NEW TECHNOLOGIES HAVE CREATED UNCERTAINTIES, NOT ONLY FOR AUTHORS BUT ALSO FOR CANADIAN BUSINESS BECAUSE COPYRIGHT LEGISLATION AFFECTS THEIR ACTIVITIES. ANY RESTRICTIONS IT MAY NOW PLACE ON ECONOMIC GROWTH MUST BE ELIMINATED SO THAT

INTERESTED PARTIES -- AUTHORS, INVESTORS, ENTREPRENEURS -- CAN PROFIT FROM ALL THE ECONOMIC POSSIBILITIES ARISING FROM THE MODERNISATION OF THE LAW AND THE CLARIFICATION OF "THE RULES OF THE GAME." INDIVIDUAL AUTHORS WHO WISH TO DO SO MUST BE ABLE TO EXPLOIT THEIR RIGHTS, UNDER LICENSE OR BY SELLING THEM.

BY GRANTING EQUAL PROTECTION TO CULTURAL ACTIVITY, THE LAW CAN CREATE AN INCENTIVE, WITHOUT THEREBY REGULATING OR RESTRICTING CREATIVITY. BUT COPYRIGHT DOES NOT ENSURE ECONOMIC SUCCESS. AT BEST IT CAN STIMULATE THE SPIRIT OF RISK TAKING. IN THE FINAL ANALYSIS, IT IS PUBLIC DEMAND THAT WILL STIMULATE AUTHORS, INVESTORS AND ENTREPRENEURS; AND IT IS THE FREE EXPLOITATION OF THE MARKET WHICH IS THE DETERMINING FACTOR IN ECONOMIC SUCCESS, NOT GOVERNMENT INTERVENTION IN INDIVIDUAL TRANSACTIONS.

THE EXPLOITATION OF COPYRIGHT DOES NOT NECESSARILY BRING LARGE PROFITS. IN FACT, PARTLY BECAUSE OF THE VAST RANGE OF PRODUCTS OFFERED, ENTERPRISES WHICH REALIZE LARGE PROFITS ARE RATHER RARE. FAILURES DO NOT ATTRACT PUBLIC ATTENTION; RATHER, IT IS SUCCESSFUL WORKS WHICH INCITE INDIVIDUALS TO ILLICIT COPYING AND EXPLOITATION.

3) ISSUES TO BE DEBATED

THOSE WHO OPPOSE THE EXTENSION OF COPYRIGHT LEGISLATION TO THE NEW TECHNOLOGIES FEAR THAT SUCH A MEASURE WILL CONSTITUTE AN OBSTACLE TO THE FREE FLOW OF INFORMATION AND TO THE PUBLIC'S RIGHT TO KNOW AND USE CREATIVE WORKS. BUT WHAT THEY ARE FORGETTING IS THAT THE ABSENCE OF PROPER PROTECTION DEPRIVES AUTHORS OF THE ROYALTIES THAT ARE THEIR DUE, AND DEPRIVES ENTREPRENEURS OF THE REVENUES THAT KEEP THEM IN BUSINESS. BY MAKING WORKS AVAILABLE TO THE PUBLIC, ENTREPRENEURS, LIKE AUTHORS, RUN CERTAIN RISKS. LIMITING COPYRIGHT UNDULY, SUCH AS BY IMPOSING EXCEPTIONS AND COMPULSORY LICENCES, COULD WELL HAVE THE CONSEQUENCE OF REMOVING A SOURCE OF REVENUE FROM AUTHORS AND ENTREPRENEURS WITHOUT BRINGING ANY BENEFIT TO CONSUMERS.

SOME USERS OF WORKS SUBJECT TO COPYRIGHT ARGUE THAT CERTAIN CATEGORIES OF WORKS SHOULD BE ACCESSIBLE AT "MINIMAL" COST -- MEANING NO COST -- WHEN IT IS A QUESTION OF PUBLIC USE, AS FOR EXAMPLE IN EDUCATIONAL INSTITUTIONS. CLEARLY, PART OF THE MISSION OF THE EDUCATIONAL SYSTEM IS TO HELP CULTURE FLOURISH, BUT THIS INCLUDES AUTHORS AND ENTREPRENEURS, WHO SHOULD NOT BE REQUIRED TO SUBSIDIZE EDUCATORS AND EDUCATIONAL FACILITIES.

STILL OTHERS AFFIRM THAT, IN ORDER TO ASSURE WORKS THE WIDEST POSSIBLE DISSEMINATION, THEIR PRICE SHOULD BE KEPT AS LOW AS POSSIBLE, OR THEY SHOULD BE OFFERED FREE. BUT IT IS OBVIOUS THAT THIS WOULD INEVITABLY RESULT IN LESS PRODUCTION, THE FLIGHT OF CAPITAL, DESERTION BY ENTREPRENEURS AND, ULTIMATELY, A GENERAL WEAKENING OF CREATIVE ACTIVITY.

A REVISED COPYRIGHT LAW MUST, IN MY VIEW, BALANCE THE INTERESTS OF AUTHORS AND ENTREPRENEURS WITH THOSE OF CONSUMERS. THE LEGISLATION MUST RECOGNIZE AUTHORS' EXCLUSIVE RIGHTS TO EXPLOIT THEIR OWN WORKS IN THE CONTEXT OF FAIR COMPETITION. THE PUBLIC THEN DECIDES WHAT TO WATCH, LISTEN TO, OR READ. THE SUCCESS OR FAILURE OF AUTHORS AND ENTREPRENEURS IS NOT DETERMINED BY GOVERNMENT INTERVENTION. IN THE FINAL ANALYSIS, COPYRIGHT PROMOTES THE PRODUCTION OF BOOKS, MOTION PICTURES, MUSICAL WORKS, AND RECORDINGS, AND IT CAN BE REGARDED AS THE MAIN ECONOMIC BASIS OF CREATIVITY. THE GOVERNMENT'S ROLE IS TO ENACT LEGISLATION WHICH HARMONIZES DIVERSE COPYRIGHT INTERESTS, WITHOUT FORGETTING THAT THE LAW -- THE "RULES OF THE GAME" AND THE GUIDING PRINCIPLES THAT IT DEFINES -- HAS ESSENTIALLY, AS ITS OBJECTIVE, THE PROMOTION AND THE MAINTENANCE OF CULTURAL ADVANCEMENT AND ECONOMIC GROWTH.

THE LAW'S REVISION MUST FURTHERMORE TAKE INTO ACCOUNT CERTAIN INTERNATIONAL REALITIES. CANADA IS A MEMBER OF TWO INTERNATIONAL COPYRIGHT AGREEMENTS, THE BERNE CONVENTION AND THE UNIVERSAL COPYRIGHT CONVENTION, WHOSE OBJECT IS THE PROTECTION OF THE RIGHTS OF EACH MEMBER COUNTRY'S SUBJECTS IN FOREIGN MARKETS. WHILE THEY FAVOUR EXPANSION INTO FOREIGN MARKETS, THESE TREATIES ALSO IMPOSE

CERTAIN OBLIGATIONS. THEY BOTH REST, IN EFFECT, ON THE PRINCIPLE OF "NATIONAL TREATMENT", IN VIRTUE OF WHICH CANADA IS REQUIRED TO ACCORD THE SUBJECTS OF OTHER MEMBER STATES THE SAME PROTECTION SHE ACCORDS HER OWN AUTHORS. THE REVISED LAW MUST TAKE THIS FUNDAMENTAL PRINCIPLE INTO ACCOUNT. INTERNATIONAL TRADE AND ACCESS TO FOREIGN MARKETS ARE INDISPENSABLE TO THE PROSPERITY AND VITALITY OF OUR CULTURAL INDUSTRIES. THIS SECTOR IS GROWING RAPIDLY, WHETHER IT BE THE PUBLISHING, MOTION PICTURE AND RECORDING INDUSTRIES, OR COMPUTER-BASED ENTERPRISES AND SATELLITE OPERATIONS. THE ECONOMIC ACTIVITY IT GENERATES CONTRIBUTES FAVOURABLY TO INTERNATIONAL TRADE BALANCES.

CONTINUING IN THE INTERNATIONAL PERSPECTIVE, THERE IS ANOTHER QUESTION WE MUST RESOLVE, WHOSE ELEMENTS ARE OUTLINED IN APPENDIX I OF THE WHITE PAPER: SHOULD CABLE SYSTEMS BE REQUIRED TO PAY ROYALTIES TO COPYRIGHT HOLDERS FOR THE TELEVISION PROGRAMS THEY RE-TRANSMIT TO SUBSCRIBERS? BEYOND THE FACT THAT, IN CANADA, OPINION ON THIS QUESTION IS DIVIDED, I SHOULD BRING TO YOUR ATTENTION THE FACT THAT REPRESENTATIONS HAVE BEEN MADE TO ME ON BEHALF OF CERTAIN AMERICAN INTERESTS REGARDING AMERICAN BROADCASTS TRANSMITTED BY CABLE TELEVISION SYSTEMS. THIS IS A THORNY ISSUE WHICH WE MUST EXAMINE CAREFULLY, NOT ONLY WITH REGARD TO THE NATIONAL INTERESTS OF OUR TWO COUNTRIES, BUT ALSO IN LIGHT OF CANADA'S INTERNATIONAL COPYRIGHT COMMITMENTS.

CONCLUSION

IN CONCLUSION, I WANT TO REPEAT THAT COPYRIGHT LEGISLATION IS OF CAPITAL IMPORTANCE FOR AUTHORS AND FOR INDUSTRIES BASED ON THE EXPLOITATION OF EXCLUSIVE COPYRIGHTS. THE LAW MUST BE REVISED SO THAT WE MAY STIMULATE INVESTMENT, AS WELL AS GROWTH AND COMPETITIVENESS, IN ALL THESE INDUSTRIES, THE TRADITIONAL ONES AS WELL AS THOSE WHICH HAVE ARISEN WITH THE INFORMATION AGE.

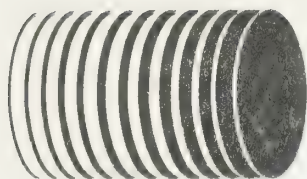
FOR AUTHORS, COPYRIGHT IS A QUESTION OF SOCIAL JUSTICE. BEAUMARCHAIS EXPRESSED IT IN THIS WAY: "IT'S TRUE, GLORY IS ATTRACTIVE . . . BUT PEOPLE FORGET THAT, TO ENJOY IT FOR JUST ONE YEAR, NATURE FORCES US TO DINE 365 TIMES."

COPYRIGHT PROTECTION IS ALSO A MEANS OF GUARANTEEING FREE EXPRESSION, BECAUSE IT PERMITS AUTHORS AND ENTREPRENEURS COMPLETE INDEPENDENCE IN EXPRESSING THEIR VIEWS. IN THE ABSENCE OF COPYRIGHTS, OR IF COPYRIGHT LAW WERE WITHOUT SUFFICIENT SCOPE, FREEDOM OF SPEECH AND OF CREATIVITY WOULD BE GRAVELY COMPROMISED.

IT IS OF THE HIGHEST IMPORTANCE THAT THE GOVERNMENT UNDERTAKE THE REVISION OF THE COPYRIGHT LAW WITHOUT DELAY. IN KEEPING WITH THE GOVERNMENT'S COMMITMENT TO OPEN AND FULL CONSULTATION, THIS IMPORTANT QUESTION HAS BEEN REFERRED TO YOUR COMMITTEE. AFTER YOU HAVE STUDIED IT, THE GOVERNMENT WILL BE GRATEFUL FOR RECEIVE YOUR COMMENTS AND RECOMMENDATIONS. WE THOUGHT IT APPROPRIATE TO REFER TO YOU THE WHITE PAPER ON COPYRIGHT ISSUED BY THE PREVIOUS GOVERNMENT, AS IT OUTLINES THE KEY TECHNICAL ASPECTS OF COPYRIGHT REFORM; HOWEVER, IT DOES NOT REFLECT THE OFFICIAL POSITION OF THE PRESENT GOVERNMENT.

MR. CHAIRMAN, I CANNOT STRESS TOO STRONGLY THE IMPORTANCE WHICH THE MANY PARTIES INTERESTED IN COPYRIGHT REFORM WILL ATTACH TO YOUR WORK. YOUR REPORT WILL PROVE INDISPENSIBLE TO THE GOVERNMENT, WHICH IS COMMITTED TO ENACTING A LAW WHICH, WHILE SAFEGUARDING THE RIGHTS AND INTERESTS OF AUTHORS, WILL REINFORCE CANADIAN IDENTITY AND PROMOTE ECONOMIC AND SOCIAL GROWTH.

IT IS NOT OFTEN THAT COPYRIGHT LAWS ARE REVISED. AS I HAVE ALREADY INDICATED, THE PRESENT LAW GOES BACK 60 YEARS. IT IS MY FIRM INTENTION, AS SOON AS I HAVE RECEIVED YOUR REPORT, TO PRESENT THE NECESSARY RECOMMENDATIONS TO CABINET IMMEDIATELY, SO THAT A BILL MAY BE INTRODUCED IN PARLIAMENT WITHOUT DELAY.



COMMUNICATIONS

CHECK AGAINST DELIVERY

"...National control (of broadcasting) is not an end in itself... It is the necessary condition for a system designed in the North American context, to assist Canadians to know the changing society around them, and to adapt successfully to it."

Frank W. Peers

NOTES FOR A STATEMENT
BY THE HONOURABLE MARCEL MASSE
M.P. FOR FRONTENAC
MINISTER OF COMMUNICATIONS
ANNOUNCING THE MEMBERS
OF THE BROADCASTING TASK FORCE

OTTAWA, ONTARIO
MAY 8, 1985

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OUTLINE

1. OPENING REMARKS
2. IN SEARCH OF CONSENSUS ON BROADCASTING REVITALIZATION
3. TECHNOLOGY HAS OUTSTRIPPED PRESENT LEGISLATIVE FRAMEWORK
4. TERMS OF REFERENCE FOR THE TASK FORCE
5. MEMBERS OF THE TASK FORCE
6. CONCLUSION

1. OPENING REMARKS

THANK YOU FOR THIS OPPORTUNITY TO MEET WITH YOU, LADIES AND GENTLEMEN OF THE PRESS GALLERY. YOUR LARGE ATTENDANCE TESTIFIES TO THE WIDESPREAD INTEREST IN, AND THE IMPORTANCE OF, THE GOVERNMENT OF CANADA'S NEW INITIATIVE IN CANADIAN BROADCASTING.

2. IN SEARCH OF CONSENSUS ON BROADCASTING REVITALIZATION

I AM HERE TODAY TO ADDRESS THE MEANS WE WILL USE TO ACHIEVE CONSENSUS ON A NEW BROADCASTING POLICY FOR CANADA. THE GOVERNMENT'S PRESENT APPROACH WILL BE BASED ON THE FIRST COMPREHENSIVE ANALYSIS IN SEVENTEEN YEARS OF BOTH PRIVATE AND PUBLIC SECTORS OF THE BROADCASTING INDUSTRY, AN INDUSTRY THAT IS STRUGGLING IN A FLOOD OF NEW TECHNOLOGY.

BROADCASTING HAS BEEN THE SUBJECT OF CONSIDERABLE STUDY IN THE PAST, EVEN RECENTLY. HOWEVER, ON THE 4TH OF SEPTEMBER LAST YEAR, MOST OF THE PEOPLE OF CANADA DEMONSTRATED THEIR DESIRE FOR CHANGE BY ELECTING A NEW GOVERNMENT. AND WHILE WE MUST OBVIOUSLY ENSURE CONTINUITY, AT THE SAME TIME WE MUST INCORPORATE THOSE WISHES INTO THE NEW POLITICAL AND ECONOMIC OUTLOOK. BUT WE WILL NOT BE DUPLICATING WORK ALREADY DONE.

FOR EXAMPLE, THE WORK OF THE FEDERAL CULTURAL POLICY REVIEW COMMITTEE WAS COMPLETED IN 1982. IN 1979 THE CONSULTATIVE COMMITTEE ON THE IMPLICATIONS OF TELECOMMUNICATIONS FOR CANADIAN SOVEREIGNTY, CHAIRED BY THE HONOURABLE J.V. CLYNE, ADDRESSED SOME SPECIFIC QUESTIONS CONCERNING BROADCASTING. ITS MANDATE WAS TO MAKE RECOMMENDATIONS ON A STRATEGY TO RESTRUCTURE THE CANADIAN TELECOMMUNICATIONS SYSTEM TO CONTRIBUTE MORE EFFECTIVELY TO THE SAFEGUARDING OF CANADA'S SOVEREIGNTY.

OBVIOUSLY THESE STUDIES ARE OF INTEREST AND PROVIDE CERTAIN INFORMATION, EACH FROM THEIR OWN PARTICULAR PERSPECTIVE. THE PRESENT TASK FORCE WILL TAKE ACCOUNT OF THESE AND ALL OTHER STUDIES, BUILD ON THEM AND, PERHAPS MOST IMPORTANTLY, UPDATE THEM IN FULL COLLABORATION WITH ALL INTERESTED PARTIES.

THIS VITAL STUDY WILL FORM THE BASIS FOR A WHITE PAPER OPEN TO THOUGHTFUL PUBLIC DISCUSSION. THE WORK WE UNDERTAKE NOW, AND OVER THE NEXT FEW MONTHS, WILL SERVE AS A BASIS FOR BETTER LEGISLATION, ONCE CONSENSUS IS OBTAINED. IN THIS WAY WE WILL COME BEFORE PARLIAMENT WITH OUR PROPOSALS ON BROADCASTING AFTER UPDATING THE MATERIAL AND CONSULTING WITH THE PLAYERS. INDEED, IT SHOULD ALREADY BE QUITE CLEAR FROM OUR ACTIONS IN THE PAST FEW MONTHS THAT WE ARE A TRULY REPRESENTATIVE GOVERNMENT, COMMITTED TO FINDING NECESSARY NEW ANSWERS IN AN OPEN AND CONSULTATIVE WAY.

3. TECHNOLOGY HAS OUTSTRIPPED PRESENT LEGISLATIVE FRAMEWORK

WHEN THE PRESENT BROADCASTING POLICY WAS INCORPORATED UNDER SECTION THREE OF THE BROADCASTING ACT OF 1968, FEW COULD IMAGINE HOW ITS HORIZONS WOULD BROADEN ONLY SEVENTEEN YEARS LATER. THE ARRIVAL OF CABLE TELEVISION, SATELLITE SIGNALS, AND FIBRE OPTIC COMMUNICATIONS ARE ONLY A FEW OF THE DEVELOPMENTS WHICH DRAMATICALLY REVOLUTIONIZED BROADCASTING. THESE EXPANDED HORIZONS MUST NOT, HOWEVER, CAUSE OUR BROADCASTING SYSTEM TO LOSE TOUCH WITH CURRENT REALITIES, SINCE BROADCASTING MUST, AS FRANK W. PEERS DECLARED, "ASSIST CANADIANS TO KNOW THE CHANGING SOCIETY AROUND THEM, AND TO ADAPT SUCCESSFULLY TO IT." THIS EXPANSION OF HORIZONS COULD SCARCELY HAVE BEEN FORESEEN WHEN CONSERVATIVE PRIME MINISTER R.B. BENNETT FIRST INTRODUCED TWO BROADCASTING ACTS IN 1932. TODAY, THIS INDUSTRY PROVIDES EMPLOYMENT DIRECTLY AND INDIRECTLY FOR SEVENTY-FIVE THOUSAND CANADIANS AND TOTAL BROADCASTING REVENUES APPROACH THREE BILLION DOLLARS, INCLUDING OVER 900 MILLION DOLLARS FOR THE CANADIAN BROADCASTING CORPORATION.

THIS PUBLIC CORPORATION HAS PERFORMED PRODIGIOUSLY IN THE PAST, PROVIDING NEWS, ENTERTAINMENT, REGIONAL AND LOCAL PROGRAMMING, A NORTHERN SERVICE, AND ALSO ESTABLISHED PARLIAMENTARY CHANNELS, CLOSED CAPTIONING SERVICES, AN INTERNATIONAL SERVICE, ETC., ETC. IT EVEN BROUGHT WRESTLING TO EARLY TELEVISION AUDIENCES AND INTRODUCED US TO SATURDAY NIGHT HOCKEY. IT HAS BORNE MANY INFRASTRUCTURAL COSTS FOR COMMUNICATIONS SERVICES IN THIS COUNTRY, SUCH AS MICROWAVE AND SATELLITE.

WHEN WE RECOGNIZED A NEED TO BRING PARLIAMENT TO THE PEOPLE, IT WAS THE CBC THAT ADVISED US; AND WHEN THE SPECIAL COMMITTEE ON DISABLED PERSONS SOUGHT SUPPORT FOR TELEVISION CAPTIONING, THE CBC WAS THERE ALSO. BUT THE AUDIENCE NEEDS FOR CBC SERVICES HAVE CHANGED SINCE THE DAYS WHEN ITS TELEVISION CHANNELS, FRENCH AND ENGLISH, WERE THE ONLY PICTURES IN TOWN.

TODAY THE WIDE CHOICE OF TELEVISION CHANNELS ALREADY OPEN TO MOST CANADIANS IS BEING FURTHER FRAGMENTED BY SATELLITE MASTER ANTENNA TELEVISION SYSTEMS; AND THE GROWTH OF THE VIDEOCASSETTE INDUSTRY NOW MEANS THAT ONE-THIRD OF ALL HOMES CAN CREATE THEIR OWN PROGRAMMING, USING HOME-TELEVISION RECORDINGS AND RENTAL MOVIES AND VIDEOS. BUT TODAY THE FRONTIERS HAVE LITERALLY EXPLODED AND WE MUST NOW OPERATE ON A GLOBAL PLANE. IT IS CLEAR THAT THE FRAMEWORK OF THE 1968 BROADCASTING ACT HAS BECOME INADEQUATE TO PROTECT OUR CULTURAL LIFELINE, THOSE AIRWAVE AND CABLE LINKS WHICH HELPED TRANSFORM OUR "QUELQUES ARPENTS DE GLACE ET DE NEIGE" INTO A VIABLE CANADIAN CULTURAL COMMUNITY.

FOR THE SAME REASON, THE ACT IS ALSO INADEQUATE TO DEAL WITH AN INDUSTRY SO IMPORTANT TO US ECONOMICALLY AS WELL AS CULTURALLY, CONSIDERING THAT IT IS BROADCASTING THAT ENABLES US EACH DAY TO SHARE THOSE ASPECTS OF OUR LIVES THAT MAKE US UNIQUE AND DEFINE OUR CULTURE. THIS GOVERNMENT WAS ELECTED TO BRING ABOUT CHANGES FOR THE BETTER. IN DOING SO, WE MUST RESPECT THE FINANCIAL BOTTOM LINE AS WELL AS REMAINING SENSITIVE TO THE SOCIAL NEEDS OF OUR PEOPLE.

WE AS A GOVERNMENT AND I AS MINISTER OF COMMUNICATIONS RECOGNIZE THE IMPORTANCE OF A HEALTHY PUBLIC BROADCASTING ELEMENT WITHIN THE FRAGILE, COMPLEX RELATIONSHIPS THAT COMPRISE OUR BROADCASTING SYSTEM. WE ARE COMMITTED TO ENSURE THAT PUBLIC BROADCASTING NOT ONLY SURVIVES, BUT PROSPERS, ALONG WITH A STRONG AND DYNAMIC PRIVATE SECTOR. HOW THE TWO SECTORS CAN BEST ACCOMPLISH THIS WILL BE THE DIFFICULT JOB OF THE TASK FORCE CONDUCTING THE FUNDAMENTAL REVIEW OF THE ENTIRE SYSTEM.

4. TERMS OF REFERENCE FOR THE TASK FORCE

THE TASK FORCE'S MAIN OBJECTIVE WILL BE TO EXAMINE THE CURRENT ENVIRONMENT AND FUTURE TRENDS AND TO ANALYZE THE VARIOUS BROADCASTING POLICY OPTIONS AVAILABLE TO THE GOVERNMENT. ALTHOUGH IT WILL NOT HOLD FORMAL PUBLIC HEARINGS, THE TASK FORCE WILL BE EXPECTED TO SEEK EXTENSIVE PUBLIC INPUT AND ALSO TO CONSULT ALL THE MAJOR PLAYERS OF THE SECTOR; NAMELY, PRIVATE BROADCASTERS, CABLE DISTRIBUTORS, THE CBC AND THE PROVINCIAL PUBLIC BROADCASTERS, PROGRAM PRODUCERS, CONSUMERS, PROVINCIAL GOVERNMENTS AND THE CREATIVE COMMUNITY. I ALSO EXPECT THAT THE TASK FORCE WILL BE GREATLY ASSISTED BY THE CHAIRMAN, MEMBERS, AND STAFF OF THE CRTC. I HOPE THAT MR. BUREAU WILL EXTEND TO THE TASK FORCE THE SAME UNFAILING CO-OPERATION AND WISDOM THAT HE HAS EXTENDED TO ME SINCE IT HAS BEEN MY PLEASURE TO WORK WITH HIM.

5. MEMBERS OF THE TASK FORCE

TODAY I BRING YOU THE NAMES OF THOSE DISTINGUISHED CANADIANS WHO HAVE AGREED TO SERVE ON THE SPECIAL TASK FORCE TO UNDERTAKE THIS FUNDAMENTAL REVIEW AND TO REPORT TO ME WITHIN NINE MONTHS.

THE MEMBERS OF THE TASK FORCE ARE:

CO-CHAIRMEN

GERALD CAPLAN

FLORIAN SAUVAGEAU

MEMBERS

MIMI FULLERTON

FIL FRASER

J. CONRAD LAVIGNE

FRANCINE CÔTÉ

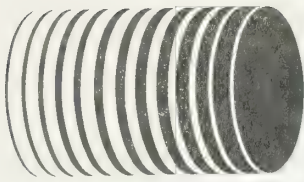
FINLAY MACDONALD, JR.

THESE TASK FORCE MEMBERS ARE CHARGED WITH A GREAT RESPONSIBILITY, ONE WHICH I AM CONFIDENT THEY WILL BEAR WELL. THEIR NAMES, BACKGROUNDS, COLLECTIVE EXPERIENCE AND REPUTATION ARE ADVANCE GUARANTEES OF THEIR SUCCESS. THEY WILL HELP PROVIDE OUR GOVERNMENT WITH A CLEARER VIEW OF CANADA'S BROADCASTING FUTURE AND THEY WILL ACHIEVE THEIR GOALS BECAUSE OF THEIR PROVEN ENERGY, INTEGRITY, RESPECT FOR OUR CULTURE AND, MOST IMPORTANTLY, BY BEING OPEN TO FRESH, NEW IDEAS.

6. CONCLUSION

BY CLARIFYING CURRENT PROBLEMS WITHIN THE SYSTEM -- BY WORKING IN CLOSE COLLABORATION WITH ALL THOSE, BOTH INSIDE AND OUTSIDE BROADCASTING, WHO ARE AFFECTED BY IT -- BY THE EFFICACY, PRACTICALITY AND IMAGINATION OF THEIR RECOMMENDATIONS -- THIS TASK FORCE WILL BRING US MUCH CLOSER TO THE REALIZATION OF A CANADIAN BROADCASTING SYSTEM FOR THE TWENTY-FIRST CENTURY.

THANK YOU



COMMUNICATIONS

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BILL C-20

"In a State, that is in a society where there are laws, liberty is nothing more than being able to do what one wishes, rather than being compelled to do something one does not want to do."

Montesquieu

NOTES FOR A SPEECH BY
BY THE HONOURABLE MARCEL MASSE
M.P. FOR FRONTENAC
MINISTER OF COMMUNICATIONS
BEFORE THE STANDING COMMITTEE
ON COMMUNICATIONS AND CULTURE

OTTAWA, ONTARIO

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PLAN

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- . THE FOUR PRINCIPLES OF THE BILL, IN LIGHT OF THE DEBATE ON SECOND READING

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- . POSSIBILITY OF LIMITING ITS SCOPE
- . DILEMMA

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- . NO DEREGULATION WITHOUT DUE REFLECTION
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- . REQUIREMENT TO CLARIFY 30-DAY CLAUSE

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CONCLUSION

- . POSSIBILITY OF IMPROVING THE WORDING OF THE BILL TO REINFORCE ITS OBJECTIVES AND GUIDING PRINCIPLES

I AM MOST GRATEFUL FOR THE CONSIDERATION YOU HAVE SHOWN BY ASKING ME TO APPEAR BEFORE YOU AS FIRST WITNESS. I AM PLEASED TO BE SPEAKING TO YOU WHEN THE COMMITTEE IS JUST BEGINNING ITS EXAMINATION OF BILL C-20. I DO NOT INTEND TO MAKE DETAILED COMMENTS ABOUT EVERY ASPECT OF THE BILL, SINCE I ALREADY DID SO WHEN I SPOKE DURING THE DEBATE ON SECOND READING.

INSTEAD, I PROPOSE TO CONFINE MYSELF TODAY TO THE FOUR MAJOR THEMES THAT EMERGED FROM THE SPEECHES MADE DURING THE SECOND READING. THESE THEMES ARE INTERESTING BECAUSE THEY BRING US BACK TO THE FUNDAMENTAL ELEMENTS OF THIS BILL:

- THE GOVERNMENT'S RIGHT TO ISSUE DIRECTIVES TO THE CRTC;
- THE GOVERNMENT'S RIGHT TO ORDER THE DEREGULATION OF CERTAIN ACTIVITIES;
- THE NATURE OF PARLIAMENT'S CONTROL OVER THIS POWER OF DIRECTION; AND LASTLY,
- THE CONTROL OF ABUSIVE PROGRAMMING.

I WOULD LIKE TO SET OUT AS CLEARLY AS POSSIBLE THE PRINCIPLES UNDERLYING THESE FUNDAMENTALS OF THE BILL AND THEN EXAMINE SOME SUGGESTIONS MADE DURING THE DEBATE ON SECOND READING.

1. THE POWER OF DIRECTION

THE PURPOSE OF THE PROVISIONS CONCERNING THE GOVERNMENT'S POWER OF DIRECTION IS TO ESTABLISH CLEARLY AND UNEQUIVOCALLY THAT ONLY THE GOVERNMENT, WHICH IS ACCOUNTABLE TO PARLIAMENT FOR ITS ACTIONS, IS EMPOWERED TO DEVELOP MAJOR TELECOMMUNICATIONS POLICIES. THIS RESPONSIBILITY SHOULD NOT BE BORNE BY THE CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION, SINCE THIS IS A QUASI-JUDICIAL ORGANIZATION THAT DOES NOT HAVE TO ANSWER TO THE PUBLIC FOR ITS ACTIONS.

SOME OF THE PARTIES INVOLVED CONSIDER THAT THIS POWER OF DIRECTION IS TOO-BROADLY DEFINED, BECAUSE IT APPLIES TO "ANY MATTER WITHIN THE JURISDICTION OF THE CRTC." SOME BROADCASTERS, FOR EXAMPLE, WOULD HAVE PREFERRED TO SEE THIS POWER APPLIED ONLY TO "POLICY QUESTIONS" SINCE, AFTER ALL, THIS IS THE REAL INTENT OF SECTION 14.1 OF THE BILL.

ONE OF THE FACTORS EMERGING FROM THIS DEBATE IS THE DILEMMA ENCOUNTERED WHEN SEEKING TO LIMIT THE SCOPE OF THE POWER OF DIRECTION. BY NARROWLY DEFINING THE SUBJECTS TO WHICH THE POWER OF DIRECTION MIGHT APPROPRIATELY BE APPLIED, WE RUN THE RISK OF CREATING A RESTRAINT THAT MIGHT PREVENT THE GOVERNMENT FROM ISSUING DIRECTIVES IN THE PUBLIC INTEREST. AND THAT IS NOT ALL: THE MORE LIMITED THE SCOPE OF THE POWER OF DIRECTION, THE GREATER THE RISK OF HAVING GOVERNMENT ORDERS CONTESTED IN THE COURTS. WE SHOULD BEAR IN MIND THAT IT IS NOT ONLY THE GOVERNMENT BUT ALSO THE LEGISLATORS WHO RELINQUISH PART OF THEIR POWER TO THE CRTC WHEN THIS POWER OF DIRECTION IS LIMITED: GOVERNMENT DIRECTIVES, UNLIKE CRTC DECISIONS, ARE SUBMITTED TO A PARLIAMENTARY COMMITTEE BEFORE THEY COME INTO EFFECT.

IF, ON THE OTHER HAND, WE DEFINE THE SCOPE OF THE POWER OF DIRECTION IN BROAD TERMS, WE AVOID ALL THE PROBLEMS THAT I HAVE JUST MENTIONED, ALTHOUGH WE AROUSE THE CONCERNS OF THOSE WHO FEAR ABUSES. HOWEVER, THE GOVERNMENT'S POWER OF DIRECTION IS STILL SUBJECT TO PARLIAMENTARY CONTROL: FOR EXAMPLE, EACH DIRECTIVE HAS TO BE PRESENTED TO THE HOUSE AND REFERRED TO AN APPROPRIATE COMMITTEE FOR STUDY. IN ADDITION, IT IS EXPRESSLY FORBIDDEN TO USE THIS POWER TO INFLUENCE THE ISSUING, AMENDING OR RENEWAL OF A PARTICULAR BROADCASTING LICENCE.

UNDER THE CIRCUMSTANCES, THE WORDING THAT WE CHOSE FOR SECTION 14.1 EMBODIES AN EQUITABLE BALANCE BETWEEN OUR WISH TO PROVIDE THE GOVERNMENT WITH THE POWER IT NEEDS TO SERVE THE PUBLIC INTEREST AND THE DESIRE TO PREVENT ABUSES. IF ANY COMMITTEE MEMBERS THINK THAT YOU CAN SUGGEST AN EVEN MORE JUDICIOUS WORDING, I INVITE YOU TO DO SO.

2. THE POWER TO DEREGULATE

THE POWER TO DEREGULATE IS ONE SPECIFIC EXAMPLE OF THE GOVERNMENT'S GENERAL POWER OF DIRECTION. THIS PREROGATIVE COINCIDES WITH THE GOVERNMENT'S PLAN FOR ECONOMIC RENEWAL THROUGH WHICH WE ARE SEEKING TO RELEASE THE DYNAMIC FORCES OF FREE ENTERPRISE BY ELIMINATING REGULATIONS. IF CANADA WISHES TO ENCOURAGE JOB CREATION AND INVESTMENT, IT SHOULD REVIEW THE ROLE OF THE STATE AND ESTABLISH AN ATMOSPHERE MORE CONDUCIVE TO ECONOMIC GROWTH. I SEE NO REASON WHY THE TELECOMMUNICATIONS SECTOR SHOULD ESCAPE THIS REVIEW. THIS IS WHAT OPPONENTS OF THE NEW POWER OF DEREGULATION SEEM TO BE SUGGESTING. OTHERS INVOKE ANARCHY OR FOREIGN INVASION. I CAN ASSURE YOU THAT THE GOVERNMENT HAS NO INTENTION OF ACTING WITHOUT GIVING THE MATTER DUE CONSIDERATION. THE REGULATORY FRAMEWORK HAS BEEN CAREFULLY DEVELOPED OVER THE YEARS: OUR APPROACH TO DEREGULATION WILL BE EVERY BIT AS CAREFUL.

IN ADDITION, I WOULD LIKE TO POINT OUT THAT THIS GOVERNMENTAL POWER IS CONDITIONAL: TO EXERCISE IT, THE GOVERNMENT MUST BE CONVINCED THAT "A SERVICE OR ACTIVITY (OF THE TYPE IN QUESTION) IS OR WILL BE SUBJECT TO A DEGREE OF COMPETITION SUFFICIENT TO ENSURE TARIFFS ... THAT ARE JUST AND REASONABLE." THE GOVERNMENT COULD THEREFORE REVOKE ITS DEREGULATION DIRECTIVE IF THIS CONDITION WAS NOT FULFILLED. THIS REPRESENTS A CONSIDERABLE PROTECTION AGAINST ABUSES OF DEREGULATION. SINCE WE ARE TALKING ABOUT ALLEVIATING THE REGULATORY BURDEN, I FEEL I MUST MENTION ANOTHER MATTER: SOME PEOPLE HAVE EXPRESSED THE FEAR THAT EXTENDING THE MAXIMUM TERM OF LICENCES FROM FIVE TO SEVEN YEARS REDUCES THE CRTC'S ABILITY TO TAKE STRINGENT ACTION AGAINST LICENSEES WHO FAIL TO COMPLY WITH THE CONDITIONS OF THEIR LICENCES. I DO NOT SHARE THESE FEARS, FOR TWO REASONS. FIRST, WE ARE TALKING HERE ABOUT THE MAXIMUM TERM OF A LICENCE. THE CRTC CAN EASILY GRANT LICENCES FOR A SHORTER TERM WHEN IT IS NOT SATISFIED WITH THE PREVIOUS HISTORY OF A LICENSEE. FURTHERMORE, THE TERM OF A LICENCE DOES NOT LIMIT THE CRTC'S RIGHT TO REVOKE IT AT ANY TIME OR TO REFUSE A RENEWAL APPLICATION SUBMITTED BY A LICENSEE WHO IS NOT COMPLYING WITH LICENCE CONDITIONS.

THE CRTC HAS FREQUENTLY INDICATED TO LICENCE HOLDERS THAT IT CONSIDERED ANY DEPARTURE FROM THE CONDITIONS OF A LICENCE TO BE A VERY SERIOUS MATTER. WE WITNESSED THIS STRICT POLICY IN FEBRUARY 1984 WHEN THE CRTC REFUSED TO RENEW THE BROADCASTING LICENCE FOR RADIO STATION CJMF-FM IN QUEBEC BECAUSE IT HAD NOT MET THE LICENCE CONDITIONS. THE CRTC DOES NOT HAVE TO GO TO SUCH LENGTHS: IT CAN SUMMON ANY LICENSEE TO A SPECIAL HEARING TO ANSWER FOR HIS ACTIONS.

3. PARLIAMENTARY CONTROL

SECTION 14.2 OF THE BILL SPECIFIES THAT NO GOVERNMENT DIRECTIVE TO THE CRTC CAN TAKE EFFECT UNTIL IT HAS BEEN SUBMITTED TO PARLIAMENT AND THIRTY DAYS HAVE ELAPSED. THE PURPOSE OF THIS PROVISION IS TO ENSURE THAT PARLIAMENT HAS THE MINIMUM TIME REQUIRED TO REFER ANY SUCH DIRECTIVE TO AN APPROPRIATE COMMITTEE AND TO GIVE THE MATTER DUE CONSIDERATION.

4. ABUSIVE PROGRAMMING

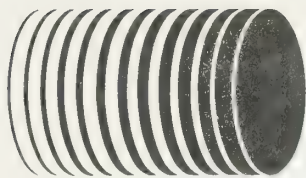
I NOW COME TO THE QUESTION OF ABUSIVE PROGRAMMING, DEALT WITH IN SECTION 3 OF THE BILL. OUR OBJECTIVE HERE IS CLEAR: WE WANT TO ENCOURAGE BROADCASTERS TO MAKE AN ACTIVE COMMITMENT TO RESPECT THE EQUALITY AND DIGNITY OF ALL INDIVIDUALS, REGARDLESS OF RACE, NATIONAL OR ETHNIC ORIGIN, RELIGION, SEX, AGE, OR MENTAL OR PHYSICAL DISABILITY. I THINK IT WOULD BE DIFFICULT NOT TO SHARE THIS LAUDABLE OBJECTIVE; HOWEVER, I RECOGNIZE THAT THERE COULD BE A NUMBER OF WAYS OF EXPRESSING THIS NEW RESPONSIBILITY ASSIGNED TO BROADCASTERS. I WILL THEREFORE BE HAPPY TO CONSIDER YOUR COMMITTEE'S SUGGESTIONS.

I MUST TELL YOU IMMEDIATELY THAT I DO NOT SUBSCRIBE TO THE POSITION OF THOSE WHO WOULD LIKE THIS PROVISION TO TAKE THE FORM OF AN EDICT. THE PRESENT WORDING, WHICH MAKES THIS OBLIGATION A SOCIAL DUTY, IS ENTIRELY IN KEEPING WITH THE SPIRIT OF THE OTHER OBJECTIVES ASSIGNED TO BROADCASTERS UNDER THE TERMS OF SECTION 3 OF THE BROADCASTING ACT. THESE ARE EXPRESSED IN A POSITIVE MANNER AND NOT IN THE FORM OF AN EDICT. IT SEEMS NORMAL TO ME THAT, IN RETURN FOR THE PRIVILEGE OF USING THE PUBLIC AIRWAVES, BROADCASTERS HAVE CERTAIN OBLIGATIONS TO THE PUBLIC.

FURTHERMORE, I THINK THAT THE OBLIGATION HAS TO BE EXPRESSED IN A POSITIVE MANNER TO PRODUCE THE DESIRED RESULTS: CRTC REGULATIONS ALREADY CONTAIN EDICTS ABOUT ABUSIVE PROGRAMMING. WE PROPOSE TO GO FURTHER BY PROGRESSING FROM AN EDICT TO A POSITIVE ASSERTION.

TO CONCLUDE, I AM FIRMLY CONVINCED OF THE VALIDITY AND RELEVANCE OF THE FUNDAMENTAL ELEMENTS OF THIS BILL. IT IS NOW UP TO US TO STUDY ITS WORDING AND TO AMEND IT, IF NECESSARY, TO ENSURE THAT THESE BASIC OBJECTIVES ARE EXPRESSED IN CLEAR AND PRACTICAL TERMS.

THANK YOU.



COMMUNICATIONS

CHECK AGAINST DELIVERY

Let us not blindly follow pointless systems;
instead, let us emulate noble examples.

Jean-Jacques Rousseau

NOTES FOR A SPEECH
BY THE HONOURABLE MARCEL MASSE
M.P. FOR FRONTENAC
MINISTER OF COMMUNICATIONS
ON THE OCCASION OF THE EXAMINATION
OF THE DEPARTMENT OF COMMUNICATIONS
EXPENDITURE PLAN
HOUSE OF COMMONS STANDING COMMITTEE
ON COMMUNICATIONS AND CULTURE

OTTAWA, ONTARIO

APRIL 30, 1985

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PLAN

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MR. CHAIRMAN, MADAM VICE-CHAIRMAN AND FELLOW MEMBERS:

1. INTRODUCTION

I AM PLEASED TO APPEAR BEFORE YOU ONCE AGAIN FOR THE PURPOSE OF DISCUSSING MATTERS THAT CONCERN US ALL. YOUR INTEREST IN THESE MATTERS IN RECENT MONTHS HAS CONVINCED ME THAT YOU SHARE MY VIEW THAT THE ARTS AND CULTURE SECTOR AND THE COMPLEX AREA OF COMMUNICATIONS ARE KEY FACTORS IN OUR SHARED EXISTENCE AND OUR SHARED FUTURE AS CANADIANS.

2. AN EXPENDITURE PLAN REFLECTING PRIORITIES

THE EXPENDITURE PLAN FOR THE 1985-86 FISCAL YEAR, WHICH YOU ARE ASKED TO CONSIDER TODAY, IS A TRUE REFLECTION OF THE GOVERNMENT'S POLITICAL AND ECONOMIC OUTLOOK AND OF THE PRIORITIES THAT WILL FORM THE BASIS OF OUR INITIATIVES IN THE ARTS, CULTURE AND COMMUNICATIONS SECTORS. THE OBJECTIVES OUTLINED IN THE PLAN CLEARLY INDICATE A NEW SENSE OF FISCAL, SOCIAL AND CULTURAL RESPONSIBILITY.

IT WAS IN THIS SPIRIT OF PRUDENT MANAGEMENT OF PUBLIC FINANCES THAT WE INCREASED RADIO-LICENCE FEES IN DECEMBER. THE GOVERNMENT RECOGNIZED ITS RESPONSIBILITY FOR THE ADMINISTRATION OF A LIMITED RESOURCE, THE RADIO SPECTRUM, BUT AT THE SAME TIME FELT THAT THE 500,000 LICENCE HOLDERS, AND NOT ALL CANADIAN TAXPAYERS, SHOULD PAY FOR THIS.

THE INCREASES, WHICH HAVE BEEN IN FORCE SINCE APRIL 15, WILL BRING 22 MILLION ADDITIONAL DOLLARS INTO THE PUBLIC TREASURY DURING THE 1985-86 FISCAL YEAR.

2.1 THE GOVERNMENT'S ECONOMIC PRIORITIES

THE GOVERNMENT'S MAJOR OBJECTIVES REMAIN THE IMPROVEMENT OF ITS OWN FINANCIAL POSITION, AND ECONOMIC RECOVERY. WE HAVE SET OUR COURSE IN RECENT MONTHS IN ACCORDANCE WITH THE GENERAL POLICY DIRECTIONS INDICATED BY THE MINISTER OF FINANCE IN HIS ECONOMIC STATEMENT OF NOVEMBER 8, 1984, AND THOSE DIRECTIONS WILL REMAIN OUR GUIDELINES FOR THE CURRENT FISCAL YEAR.

ONE OF THE GOVERNMENT'S MAJOR PRIORITIES IS, THEREFORE, TO CONTROL THE DEFICIT. THIS INDEBTEDNESS HAS GROWN AT AN ALARMING RATE UNTIL IT HAS BECOME A BURDEN THAT CANADIANS CAN NO LONGER BEAR. BARELY TEN YEARS AGO, INTEREST ON THE DEBT REQUIRED ONLY ONE-EIGHTH OF EACH TAX DOLLAR. TODAY, IT TAKES ONE-THIRD. THE DEFICIT IS NOW INCREASING AT SUCH A RAPID RATE THAT ECONOMIC EXPANSION ALONE WILL NOT BE SUFFICIENT TO RESOLVE THIS PROBLEM. LAST YEAR, THE PUBLIC DEBT ROSE 22 PER CENT, WHILE REAL CANADIAN ECONOMIC GROWTH WAS ONLY 4.7 PER CENT. THIS IS AN IRRESPONSIBLE WAY TO MANAGE CANADA'S FINANCES.

AS MY COLLEAGUE, THE MINISTER OF FINANCE, THE HONOURABLE MICHAEL WILSON, INDICATED IN A SPEECH AT THE NATIONAL ECONOMIC CONFERENCE ON MARCH 22, CONTROLLING THE DEFICIT IS NOT AN END IN ITSELF. RATHER, IT IS A MEANS FOR ARRIVING AT OUR ESTABLISHED GOAL: THE DESIRED CREATION OF JOBS AND PROSPERITY. ALL CANADIANS SHOULD BE ASKED TO MAKE A FAIR AND EQUITABLE CONTRIBUTION TO ECONOMIC RECOVERY.

2.2 DEPARTMENTAL PRIORITIES

IN RECENT MONTHS I HAVE INDICATED MY INTENTIONS REGARDING THE SECTORS FOR WHICH MY DEPARTMENT IS RESPONSIBLE. I AM FIRMLY COMMITTED TO PROMOTING THE GROWTH OF ARTISTIC AND CULTURAL ACTIVITIES; BUT AT THE SAME TIME WE MUST PAY DUE REGARD TO ECONOMIC REALITY. THE GOVERNMENT HAS A RESPONSIBILITY TO HELP THE ARTS SECTOR DEVELOP, AND TO CONTRIBUTE TO ESTABLISHING THE CLIMATE AND INFRASTRUCTURE ARTISTS NEED. MORE PRECISELY, WE SEEK TO ESTABLISH AN ENVIRONMENT FAVOURABLE TO CULTURAL ENTERPRISES AND THUS TO SUPPORT THE DEVELOPMENT OF AN ECONOMIC CLIMATE WHERE THE ARTS CAN TRULY TAKE ROOT. IN A FEW MINUTES I WILL EXPLAIN HOW WE PROPOSE TO DO THIS. I CAN ASSURE YOU THAT WE WILL NOT HESITATE TO ADOPT INNOVATIVE APPROACHES IF WE SEE A WAY TO USE PUBLIC MONEY MORE EFFECTIVELY.

OUR PLANS FOR THE BROADCASTING AND TELECOMMUNICATIONS SECTORS ARE FOUNDED ON THE SAME SPIRIT OF RENEWAL SOUGHT BY THE CANADIAN ELECTORATE ON SEPTEMBER 4TH OF LAST YEAR. WE BELIEVE THAT CANADIAN BROADCASTING CAN FULLY PLAY ITS ROLE IN PROMOTING A CANADIAN CULTURAL IDENTITY, WHILE AT THE SAME TIME ESTABLISHING THE PROSPERITY IT NEEDS TO ENSURE ITS DEVELOPMENT. IN THE TELECOMMUNICATIONS FIELD WE HAVE AN OPPORTUNITY TO BENEFIT FULLY FROM THE IMPORTANT SPINOFF EFFECTS OF THE TECHNOLOGICAL REVOLUTION AND TO MAKE THIS SECTOR ONE OF THE PRINCIPAL DRIVING FORCES OF OUR ECONOMIC RECOVERY.

IN BOTH THESE SECTORS SUCCESS DEPENDS ON A POLITICAL ENVIRONMENT FAVOURABLE TO INVESTMENT. WE HAVE THEREFORE DECIDED TO AVOID BAND-AID SOLUTIONS AND, IN CONSULTATION WITH THE MAIN INTERESTED PARTIES, TO CONDUCT A THOROUGH REVIEW OF THE ENTIRE BODY OF POLICIES AND REGULATIONS COVERING THESE ACTIVITIES.

3. THE ARTS AND CULTURE SECTOR

IT IS SURELY NOT NECESSARY TO CONVINCE YOU OF THE IMPORTANCE OF CULTURE AND THE ARTS FOR EACH CANADIAN AND FOR CANADA AS A WHOLE. THOUGH OUR MODERN TECHNOLOGY HAS MADE IT POSSIBLE TO SEND LARGE QUANTITIES OF INFORMATION TO REMOTE AREAS OF THE EARTH IN A FEW SECONDS, THIS ACHIEVEMENT WILL NEVER COMPARE WITH THE RICH CULTURAL MESSAGE CONVEYED BY A POEM, A NOVEL, A PAINTING, A CONCERT OR A PLAY.

3.1 CONTRIBUTION OF THE ARTS AND CULTURE TO CANADA'S SOCIAL, INTELLECTUAL AND ECONOMIC LIFE

A REPORT OF THE CANADIAN CONFERENCE OF THE ARTS MADE THE POINT THAT (AND I QUOTE) "IT WOULD BE A SERIOUS MISREPRESENTATION OF THE FACTS TO LET THE ECONOMIC VALUE OF THE ARTS TAKE THE PLACE OF THEIR CREATIVE AND SPIRITUAL WORTH. NEVERTHELESS, IT WOULD BE WRONG OF US TO IGNORE ART'S ECONOMIC VALUE AND, PARTICULARLY, THE CONTRIBUTION THAT IT MAKES TO BALANCED ECONOMIC GROWTH".

IN RECENT MONTHS I HAVE BEEN EMPHASIZING THE ECONOMIC ASPECTS OF ARTISTIC AND CULTURAL ACTIVITIES. IN TERMS OF REVENUE, THE CULTURAL SECTOR IS THE ELEVENTH LARGEST CANADIAN INDUSTRIAL SECTOR, FOURTH LARGEST EMPLOYER, AND FOURTH IN TERMS OF PAYROLL. FROM 1971 TO 1981 THE NUMBER OF JOBS IN THIS SECTOR INCREASED BY 74 PER CENT, OR ALMOST TWICE THE INCREASE IN THE LABOUR FORCE AS A WHOLE.

MY GOAL IS TO ENSURE THAT DUE ATTENTION IS AGAIN GIVEN TO THIS ASPECT, SO THAT OUR CANADIAN ARTISTS AND CREATORS OF OTHER KINDS WILL BE REGARDED AS FULL PARTNERS IN OUR SOCIETY.

THIS APPROACH HAS ALREADY BORNE FRUIT: AT A FEDERAL-PROVINCIAL CONFERENCE IN VANCOUVER LAST FEBRUARY, MY PROVINCIAL COUNTERPARTS AGREED TO PAY SPECIAL ATTENTION TO THE ECONOMIC ASPECT OF CULTURE AND THE ARTS.

SOME OF MY CABINET COLLEAGUES HAVE ALREADY AGREED TO OPEN THEIR PROGRAMS TO CULTURAL ACTIVITIES. THIS IS CONFIRMATION THAT THE GOVERNMENT SEES CULTURE AS AN ESSENTIAL PART OF ITS OVERALL APPROACH. AS AN EXAMPLE, I WOULD LIKE TO MENTION A RECENT SUBSIDIARY AGREEMENT CONCLUDED WITH THE GOVERNMENT OF QUEBEC, UNDER WHICH IT WAS POSSIBLE TO DRAW ON FUNDS INTENDED FOR TOURISM DEVELOPMENT TO CONTRIBUTE TO THE COSTS OF EXPANDING THE MONTREAL MUSÉE DES BEAUX-ARTS. TO CITE ANOTHER EXAMPLE, THE EMPLOYMENT AND IMMIGRATION DEPARTMENT HAS AGREED THAT ARTISTS AND OTHER KINDS OF CREATORS ARE ENTITLED TO PARTICIPATE IN ITS MANY MANPOWER PROGRAMS AND SERVICES ON THE SAME BASIS AS ALL OTHER CANADIAN WORKERS. THESE ARE EXCELLENT EXAMPLES OF THE EFFECTIVENESS AND NEW DIRECTIONS WE ARE SEEKING.

3.2 INVESTMENT STRATEGY - AN INDICATOR OF SOUND MANAGEMENT

CANADA'S MANY CULTURAL AND ARTISTIC INSTITUTIONS AND ACTIVITIES ARE A MANIFESTATION OF THE DYNAMISM AND VITALITY OF OUR SOCIETY. I BELIEVE THAT IT IS MY DUTY TO ENSURE THAT THE SUPPORT WE PROVIDE IS IN ACCORDANCE WITH THE EXCELLENCE THE CANADIAN ARTISTIC AND CULTURAL COMMUNITY HAS ALWAYS DEMONSTRATED.

IT THEREFORE SEEMED OBVIOUS TO ME THAT IT WAS ESSENTIAL TO BREAK WITH THE IMPROVISED APPROACH THAT HAS TOO OFTEN BEEN CHARACTERISTIC OF GOVERNMENT INTERVENTIONS IN THE PAST. FOR THIS REASON I AM CURRENTLY CONSIDERING THE POSSIBILITY OF ESTABLISHING A LONG-TERM INVESTMENT STRATEGY FOR ARTISTIC AND CULTURAL ACTIVITIES. THIS INITIATIVE, NOW IN ITS EARLY STAGES, WILL BE DISCUSSED WITH ALL INTERESTED PARTIES; THERE IS ALREADY A BRIEF REFERENCE TO IT IN THE DEPARTMENT'S ESTIMATES. SUCH AN INITIATIVE WOULD NOT NECESSARILY RESULT IN NEW STRUCTURES OR ADDITIONAL PROGRAMS: INITIALLY IT WOULD BE CONCERNED WITH MORE EFFECTIVE USE OF EXISTING RESOURCES AND THE PLANNING OF RESOURCE ALLOCATION. AT THE SAME TIME, THIS STRATEGY WOULD ALLOW FOR THE CONTRIBUTIONS OF PROVINCIAL GOVERNMENTS AND MUNICIPALITIES, THEREBY ACHIEVING IMPROVED CO-ORDINATION WITH THE VARIOUS LEVELS OF GOVERNMENT. CONSISTENCY AND COMPLEMENTARITY SHOULD BE THE TWIN OBJECTIVES OF ALL POLICY MAKERS IN THE ARTS AND CULTURE SECTOR.

THE BENEFITS OF THIS STRATEGY FOR CANADA'S ARTISTIC AND CULTURAL COMMUNITIES THEMSELVES ARE JUST AS OBVIOUS: BY THIS MEANS, THESE COMMUNITIES WILL BE KEPT FULLY INFORMED OF THE GOVERNMENT'S INTENTIONS. I BELIEVE THAT OUR INITIATIVE WILL ENABLE US TO AVOID THE DISTRESSING CRISES THAT HAVE SEEMED INEVITABLE EVERY YEAR WHEN THE TIME COMES TO PREPARE SPENDING ESTIMATES.

3.3 SUPPORT FOR ARTISTIC AND CULTURAL ACTIVITIES TAKES A NEW DIRECTION

THIS CONCERN FOR GREATER EFFECTIVENESS ALSO PROMPTED US TO UNDERTAKE AN IN-DEPTH EXAMINATION OF THE BASIC PRINCIPLES UNDERLYING THE VARIOUS FORMS OF GOVERNMENT SUPPORT FOR ARTS AND CULTURE. THE NEEDS ARE GREAT AND THE RESOURCES LIMITED.

WHILE IT IS CLEAR THAT THE ARTISTIC AND CULTURAL SECTOR SHOULD RECEIVE GREATER ASSISTANCE, IT IS ALSO CLEAR THAT THE GOVERNMENT CANNOT BE COMPLETELY RESPONSIBLE FOR PROVIDING THIS ASSISTANCE. I BELIEVE THAT WE HAVE FOUND A WAY OF MAXIMIZING THE EFFECT OF GOVERNMENT FUNDING FOR ARTS AND CULTURE.

THE PROPOSED NEW DIRECTION WILL STRESS MEASURES THAT WILL STIMULATE PRIVATE-SECTOR INVESTMENT IN ARTS AND CULTURE AND PROMOTE GREATER PARTICIPATION BY OTHER LEVELS OF GOVERNEMENT.

3.4 ONGOING CONSULTATION WITH THE PROVINCIAL GOVERNMENTS AND THE ARTISTIC AND CULTURAL COMMUNITY

I AM CONFIDENT THAT THIS INITIATIVE WILL RESULT IN AN INCREASE IN THE RESOURCES AVAILABLE TO CULTURAL AND ARTISTIC GROUPS. MY BELIEF IS BASED ON THE SUCCESS OF OUR EFFORTS TO ESTABLISH A NEW SPIRIT OF CO-OPERATION AND CONSULTATION IN CANADA. SOLUTIONS WILL BE FOUND ONLY THROUGH OPEN CONSULTATION AND AN ATMOSPHERE OF GENUINE CO-OPERATION.

ONLY A FEW WEEKS AGO WE SAW WHAT CAN BE ACHIEVED WHEN GOVERNMENTS AND THE PRIVATE SECTOR WORK TOGETHER TOWARD A COMMON OBJECTIVE. AT THAT TIME, THE GOVERNMENTS OF CANADA AND QUEBEC GAVE THEIR CONSENT TO THE PARTICIPATION OF A CONSORTIUM OF PUBLIC AND PRIVATE CANADIAN AGENCIES IN TV 5, A EUROPEAN FRENCH-LANGUAGE UNDERTAKING. AS A RESULT OF THIS AGREEMENT, CANADIAN PRODUCERS WILL BE ABLE TO BROADCAST THEIR PROGRAMS TO OVER TWO MILLION EUROPEAN VIEWERS FOR ONE ENTIRE EVENING A WEEK STARTING THIS FALL.

3.5 TELEFILM CANADA - IMMEDIATE AND EFFECTIVE ACTION

WHILE PLANNING A MORE FUNDAMENTAL CHANGE, WE ALSO TOOK STEPS TO BRING ABOUT SOME IMMEDIATE IMPROVEMENTS IN THE BROADCASTING SECTOR. ON MARCH 1ST, I ANNOUNCED MAJOR MODIFICATIONS TO THE GUIDELINES ADMINISTERING THE CANADIAN BROADCAST PROGRAM DEVELOPMENT FUND. OVER THE COMING MONTHS, THESE CHANGES WILL RESULT IN THE INJECTION OF SOME \$125 MILLION INTO THE PRODUCTION OF CANADIAN PROGRAMS. THIS INJECTION OF FUNDS IS EXPECTED TO CREATE THE EQUIVALENT OF 5,000 FULL-TIME JOBS.

THE DEVELOPMENT FUND REVIEW BEGAN ON DECEMBER 20, AND THE AMENDMENTS HAVE BEEN IN FORCE SINCE APRIL 1. WE HAVE ACTED QUICKLY, IN CLOSE CONSULTATION WITH THE PRODUCTION INDUSTRY, PRIVATE AND PUBLIC BROADCASTERS AND REPRESENTATIVES OF THE ARTISTIC COMMUNITY. I FEEL THAT THE CHANGES WILL BENEFIT CANADIAN BROADCASTERS IN GENERAL AND PRODUCERS IN EVERY REGION OF THE COUNTRY.

4. REGULATION: A NEW APPROACH

ON SEPTEMBER 4, 1984, CANADIANS SENT OUT AN UNMISTAKEABLE SIGNAL: THEY WANTED CHANGE. THEY ELECTED A PARTY WITH A COMPLETELY NEW VISION OF SOCIETY. WE FEEL THAT CANADIANS FROM ALL SECTORS AND ALL REGIONS CAN JOIN TOGETHER IN REALIZING THEIR ASPIRATIONS IN AN ATMOSPHERE OF MUTUAL RESPECT. WE ADVOCATED A NEW APPROACH TO GOVERNMENT ADMINISTRATION. THE PEOPLE, I FEEL, WERE TIRED OF A GOVERNMENT THAT WAS A PRISONER OF THE PAST AND WAS UNABLE TO FIND NEW SOLUTIONS TO THE SAME OLD PROBLEMS THAT HAD CONFRONTED OUR SOCIETY FOR MANY YEARS.

4.1 A RETURN TO BASIC OBJECTIVES

FOR THIS REASON, I LOST NO TIME LAST FALL IN TACKLING FUNDAMENTAL PROBLEMS. IN THE BROADCASTING AND TELECOMMUNICATIONS SECTORS, REGULATIONS ARE PERVERSIVE. THESE REGULATIONS ARE THE RESULT OF A SYSTEM THAT HAS ATTEMPTED, WITH UNEVEN SUCCESS, TO ADAPT TO RAPID CHANGES IN MODERN TECHNOLOGY. I REALIZED VERY QUICKLY THAT IN MANY INSTANCES THE PROBLEM LAY NOT WITH THE REGULATIONS, BUT WITH THE LAWS FROM WHICH THEY HAD STEMMED.

THE SOLUTION WAS TO RETURN TO THE SOURCE, IDENTIFY THE MAJOR PRINCIPLES BEHIND THIS LEGISLATION, AND FIND WAYS OF ADAPTING THESE BROAD GUIDELINES TO THE NEW CANADIAN REALITY.

I CAN ASSURE YOU FROM THE START THAT IN ALL OUR INITIATIVES WE WILL RESPECT THE BASIC PRINCIPLES THAT ORIGINALLY GUIDED OUR LEGISLATORS IN THEIR ATTEMPTS TO MAKE BROADCASTING AND TELECOMMUNICATIONS PRIVILEGED INSTRUMENTS FOR PROMOTING AND STRENGTHENING OUR IDENTITY.

THE IN-DEPTH REVIEW OF THE BROADCASTING ACT INITIATED LAST MONTH ATTESTS TO THIS GOVERNMENT'S COMMITMENT TO A PUBLIC NETWORK. IT IS PRECISELY TO ENSURE THE SURVIVAL AND PROSPERITY OF THIS PUBLIC SERVICE AND OF OTHER GROUPS INVOLVED IN THE BROADCASTING SECTOR THAT WE UNDERTOOK THIS REVIEW.

4.2 RESTORING A CLIMATE FAVOURABLE TO ECONOMIC GROWTH

THE BROADCASTING AND TELECOMMUNICATIONS SECTORS HAVE CHANGED DRAMATICALLY OVER THE LAST FEW YEARS. THE USE OF SATELLITES, WHICH HAS VASTLY IMPROVED COMMUNICATIONS BETWEEN THE VARIOUS REGIONS OF CANADA, HAS ALSO ELIMINATED AUDIO-VISUAL BOUNDARIES. THE TECHNOLOGY ON WHICH WE RELY TO ESTABLISH ONE OF THE BEST COMMUNICATIONS NETWORKS IN THE WORLD HAS PROFOUNDLY DISRUPTED THE ENVIRONMENT IN WHICH OUR BROADCASTERS MUST OPERATE.

THE PROLIFERATION OF PROGRAM SOURCES, ESPECIALLY IN TELEVISION, THREATENS THE VERY SURVIVAL OF OUR BROADCASTERS AND SERIOUSLY IMPAIRS THEIR OPPORTUNITY TO PLAY THEIR ROLE AS PURVEYORS OF CANADIAN CULTURE. WE MUST AT ALL COSTS REINVIGORATE THIS VITAL SECTOR. I HAVE GREAT CONFIDENCE IN CANADIAN BUSINESS PEOPLE, AND I KNOW THAT THEY WILL TAKE UP THE CHALLENGE IF WE ESTABLISH AN APPROPRIATE LEGISLATIVE AND REGULATORY FRAMEWORK.

A REVISION OF ALL LEGISLATION AND REGULATIONS IS JUST AS NECESSARY TO THE GROWTH OF SEVERAL OTHER AREAS. THE TELECOMMUNICATIONS SECTOR, FOR EXAMPLE, IS ONE THAT OFFERS TREMENDOUS OPPORTUNITIES. CANADIAN TECHNOLOGY HAS PROVEN ITS WORTH BOTH IN CANADA AND ABROAD, BUT IT IS NOW TIME FOR THE PRIVATE SECTOR TO PLAY A MORE ACTIVE PART. THE GOVERNMENT PROMISES TO ESTABLISH THE BEST POSSIBLE CONDITIONS FOR INCREASED PARTICIPATION BY CANADIAN PRIVATE ENTERPRISE, AND MY DEPARTMENT WILL CONTINUE TO CONDUCT RESEARCH INTO ADVANCED TELECOMMUNICATIONS TECHNOLOGY.

THERE ARE CURRENTLY GREAT INVESTMENT OPPORTUNITIES IN THE TELECOMMUNICATIONS SECTOR. ONE EXAMPLE IS MSAT, THE MOBILE COMMUNICATIONS SATELLITE WHICH TELESAT CANADA IS ABOUT TO PUT INTO OPERATION JOINTLY WITH PRIVATE INDUSTRY. THIS PROJECT ALONE COULD LEAD TO THE CREATION OF THOUSANDS OF HIGH-TECHNOLOGY JOBS AND NEW OUTLETS FOR OUR INDUSTRIES.

4.3 THE NEED FOR FULL PARTICIPATION

HERE TOO, THE SUCCESS OF OUR EFFORTS DEPENDS ON THE CONCERTED ACTION OF GOVERNMENTS AND ALL OTHERS INVOLVED IN THE SECTOR. CONSULTATIONS ARE ALREADY UNDER WAY, AND I AM CONFIDENT THAT WE WILL BE ABLE TO REACH A CONSENSUS THAT WILL ADDRESS THE CONCERNS OF ALL THOSE INVOLVED.

5. A DESIRE FOR RENEWAL

SINCE ITS ELECTION IN SEPTEMBER, THIS GOVERNMENT HAS NOT BEEN HESITANT TO ACT, ON SEVERAL FRONTS. AND YET, THE URGENCY OF SOME SITUATIONS FORCES US TO ACT EVEN MORE QUICKLY.

5.1 THOROUGH REVISION OF THE BROADCASTING ACT

LAST APRIL 9TH, I ANNOUNCED A THOROUGH REVIEW OF THE CANADIAN BROADCASTING SYSTEM. IT HAD BECOME UNTENABLE TO ASK THAT OUR BROADCASTERS FULFIL THEIR MANDATE WITHIN A LEGISLATIVE FRAMEWORK WHICH, TO ALL INTENTS AND PURPOSES, HAD NOT BEEN AMENDED FOR 17 YEARS.

THE SITUATION HAD ALSO BECOME INTOLERABLE FOR THE CANADIAN BROADCASTING CORPORATION, TO WHICH SUCCESSIVE GOVERNMENTS HAD CONTINUED TO GIVE MORE AND MORE RESPONSIBILITIES WITHOUT INCREASING ITS RESOURCES ACCORDINGLY.

I WILL SOON BE IN A POSITION TO REVEAL THE COMPOSITION OF THE TASK FORCE THAT WILL BEGIN THIS THOROUGH EXAMINATION. ITS MANDATE IS VERY BROAD AND ITS DEADLINES TIGHT. NEVERTHELESS, I EXPECT ITS REPORT TO BE SUBMITTED TO ME BY JANUARY 15, 1986. AFTER CONVEYING THE RECOMMENDATIONS OF THE TASK FORCE TO MY CABINET COLLEAGUES, I PLAN TO TABLE A WHITE PAPER THAT YOU WILL BE ASKED TO CONSIDER AND THAT WILL PROVIDE THE BASIS FOR A PUBLIC DEBATE.

5.2 COPYRIGHT

YOU WILL SOON HAVE THE OPPORTUNITY TO HOLD PUBLIC HEARINGS ON THE WHITE PAPER THAT MY COLLEAGUE, THE HONOURABLE MICHEL COTÉ, MINISTER OF CONSUMER AND CORPORATE AFFAIRS, AND I SUBMITTED TO YOU ON PROPOSED CHANGES TO THE COPYRIGHT ACT. I AM EAGER TO SEE THE REPORT ON YOUR DISCUSSIONS, FOR WE WILL THEN BE ABLE TO PROPOSE LEGISLATION WHICH TAKES CURRENT REALITIES INTO ACCOUNT. EXISTING LEGISLATION, WHICH HAS BEEN IN EFFECT SINCE 1924, DOES NOT ALLOW OUR AUTHORS AND CREATIVE ARTISTS TO BENEFIT FULLY FROM THE NEW OPPORTUNITIES CREATED BY MODERN TECHNOLOGY.

5.3 BILLS C-19 AND C-20

I RECENTLY HAD THE CHANCE TO DISCUSS WITH YOU BILLS C-19 AND C-20, WHICH HAVE ALREADY BEEN SUBMITTED TO THIS COMMITTEE FOR STUDY. THE URGENCY OF THESE MEASURES IN RELATION TO THIS OVERALL PROCESS WHICH WE HAVE BEGUN IN TELECOMMUNICATIONS AND BROADCASTING CANNOT BE OVERSTATED. LET ME AGAIN DECLARE MY WILLINGNESS TO WORK CLOSELY WITH THE MEMBERS OF THIS COMMITTEE IN PRODUCING LEGISLATION WHICH WILL RESPOND ADEQUATELY TO THE NEEDS OF ALL PARTIES CONCERNED.

5.4 A GLOBAL PUBLISHING STRATEGY

THE PUBLISHING SECTOR IS ANOTHER OF THE MAJOR PRIORITIES FOR THE NEXT FISCAL YEAR. WE PLAN TO IMPLEMENT A NEW PROGRAM FOR CANADIAN PUBLISHERS TO REPLACE THE BOOK PUBLISHING DEVELOPMENT PROGRAM THAT ENDED ON MARCH 31, 1985; HOWEVER, OUR ANALYSIS OF THE SITUATION HAS CONVINCED US OF THE NEED TO DEVELOP A STRATEGY COVERING THE PUBLISHING SECTOR AS A WHOLE. THE STRATEGY WE PROPOSE TO DEVELOP WOULD TAKE INTO CONSIDERATION NOT ONLY TRADITIONAL PUBLISHERS, BUT ALSO ELECTRONIC PUBLISHERS, DISTRIBUTORS, AUTHORS AND EVEN CONSUMERS, WHO MUST BE MADE AWARE OF THE GREAT VALUE OF CANADIAN PUBLICATIONS.

5.5 MEASURES CONCERNING RADIO AND SOUND RECORDING

I WILL SOON BE ABLE TO ANNOUNCE NEW PROVISIONS THAT WILL ENABLE THE CANADIAN RADIO AND SOUND RECORDING INDUSTRIES TO FACE CURRENT MARKET CONDITIONS MORE EFFECTIVELY. ONCE AGAIN, THE SAME TECHNOLOGY THAT OFFERS THESE INDUSTRIES A WIDE RANGE OF NEW OPPORTUNITIES ALSO FACILITATES THE COPYING OF PRODUCTIONS, THUS THREATENING THE VIABILITY OF A SECTOR VITAL TO CANADIAN CULTURAL EXPRESSION. WE WILL SEEK WAYS TO STRENGTHEN THE POSITION OF THESE SECTORS.

5.6 A NEW TELECOMMUNICATIONS POLICY

IN HIS ECONOMIC AND FINANCIAL STATEMENT LAST NOVEMBER 8, MY COLLEAGUE, THE HONOURABLE MICHAEL WILSON, MINISTER OF FINANCE, SAID THE EXAMINATION OF TELECOMMUNICATIONS POLICIES IS A PRIORITY MATTER. WE ARE VERY AWARE OF THE PROFOUND SOCIAL AND ECONOMIC QUESTIONS WHICH THIS REVIEW RAISES AND OUR WORK WILL BE GUIDED BY BOTH CAUTION AND DILIGENCE. TELECOMMUNICATIONS AFFECT CANADIANS VERY DEEPLY IN THEIR DAILY LIFE, BUT WE MUST ALSO BE CONCERNED WITH LIGHTENING THE REGULATORY BURDEN WHICH IMPEDED THE ECONOMIC PROGRESS OF THIS INDUSTRY. OUR OBJECTIVE IS THUS TO REDUCE REGULATORY INTERVENTIONS TO THE ABSOLUTE MINIMUM. I HOPE TO ANNOUNCE IN THE NEAR FUTURE A FRAMEWORK IN WHICH WE CAN BEGIN THE REFORM OF TELECOMMUNICATIONS POLICY.

5.7 A NEW MANDATE FOR THE PUBLIC ARCHIVES

AS YOU HAVE NOTICED, THERE ARE MANY PRIORITIES, BOTH IN THE BROADCASTING AND TELECOMMUNICATIONS SECTORS AND IN THE ARTS AND CULTURE FIELDS. IF WE ARE TO REMAIN FAITHFUL TO THE COMMITMENT FOR RENEWAL WE HAVE MADE TO ALL CANADIANS, WE CANNOT ALLOW OURSELVES TO IGNORE OTHER AREAS BECAUSE OF THE URGENCY OF THESE MATTERS. WE PREFER TO ACT BEFORE PROBLEMS BECOME CRITICAL.

THE SITUATION HAS CHANGED GREATLY SINCE THE PASSAGE IN 1912 OF LEGISLATION CREATING THE PUBLIC ARCHIVES OF CANADA. THE VOLUME AND DIVERSITY OF WHAT WE NOW CONSIDER OUR DOCUMENTARY HERITAGE HAVE GROWN PRODIGIOUSLY IN THE PAST SEVEN DECADES. WE NOW FIND THESE PRECIOUS COLLECTIONS -- OUR COLLECTIVE MEMORY -- IN ALL REGIONS OF THE COUNTRY.

THIS INSTITUTION PLAYS A KEY ROLE IN THE PROTECTION OF CANADIAN HERITAGE AND MUST BE MORE THAN JUST STORAGE FOR THE DOCUMENTS WHICH CONSTITUTE OUR COMMON LEGACY. THE PUBLIC ARCHIVES MUST BE ABLE TO MAKE FULL USE OF MODERN COMMUNICATIONS TECHNOLOGY AND BECOME A DYNAMIC FORCE IN CULTURAL LIFE THROUGHOUT CANADA. TO ENSURE THAT THIS INSTITUTION HAS A LEADERSHIP ROLE, AND TO ENABLE IT TO MEET THE MANY NEEDS OF OUR SOCIETY, I WILL VERY SOON TABLE A NEW BILL ON THE PUBLIC ARCHIVES OF CANADA.

5.8 PROVIDING FOR THE FUTURE OF OUR MUSEUMS

THE FUTURE OF CANADA'S MUSEUMS AND THEIR ABILITY TO FULLY REFLECT THE REALITIES OF OUR COUNTRY ARE ALSO MATTERS WHICH CONCERN ME. I FEEL IT IS ESSENTIAL THAT OUR HERITAGE AND OUR HISTORIC AND ARTISTIC TREASURES HAVE THE SETTING THEY DESERVE.

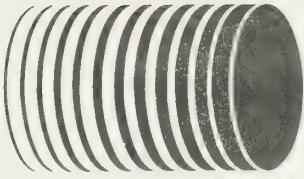
HOWEVER, IT SEEMS TO ME THAT IT IS JUST AS IMPORTANT TO ENSURE THAT OUR MUSEUMS BECOME MORE ACTIVE AS A STIMULUS IN OUR CULTURAL LIFE. THEIR STRENGTH LIES IN THE DEGREE TO WHICH THEY ARE PART OF THE COMMUNITY. I HAVE THEREFORE ASKED THOSE RESPONSIBLE FOR OUR NATIONAL MUSEUMS TO LOOK AGAIN AT THESE INSTITUTIONS AND CONSIDER THE CONTRIBUTION MADE BY COMMUNITIES TO THE SERVICES OFFERED. THE PROVINCES ALSO HAVE A VITAL ROLE IN THE FUTURE OF THE NATIONAL MUSEUMS, AND I PLAN TO DISCUSS THIS QUESTION WITH MY PROVINCIAL COUNTERPARTS WHEN WE MEET IN HALIFAX IN SEPTEMBER.

6. CONCLUSION

BOLD AS OUR PLANS MAY APPEAR, I CAN ASSURE YOU THAT WE ARE FIRMLY RESOLVED TO IMPLEMENT THEM. CANADIANS HAVE ASKED FOR A FUNDAMENTAL CHANGE AND I FEEL IT IS OUR RIGHT AND OUR DUTY TO CARRY OUT THIS MANDATE TO THE LIMIT OF OUR ABILITIES. WE HAVE MADE REMARKABLE PROGRESS IN A FEW MONTHS, DESPITE THE EXTREMELY DIFFICULT SITUATION INHERITED FROM OUR PREDECESSORS.

OUR GOVERNMENT'S MISSION HAS BEEN TO REBUILD A COUNTRY AND A SOCIETY IN WHICH ALL PARTNERS CAN ACHIEVE THEIR OWN OBJECTIVES IN A SPIRIT OF MUTUAL RESPECT AND CO-OPERATION. WITH CONCERTED EFFORT, THE OBJECTIVES I HAVE DESCRIBED TODAY CAN BE ACCOMPLISHED. AS THE FRENCH PLAYWRIGHT JOLYOT DE CRÉBILLON SAID THROUGH ONE OF HIS CHARACTERS, "SUCCESS HAS ALWAYS BEEN A CHILD OF DARING".

THANK YOU.



COMMUNICATIONS

CHECK AGAINST DELIVERY

THE CANADIAN BROADCASTING SYSTEM:
INTO THE TWENTY-FIRST CENTURY

"...This country must be assured of complete Canadian control of broadcasting from Canadian sources. Without such control broadcasting can never be the agency by which national consciousness may be fostered and sustained and national unity still further strengthened...

(But) it may be that at some future time, when science has made greater achievements...it may be desirable to make other or different arrangements."

Prime Minister R.B. Bennett, introducing Bill 94 on broadcasting, Debates of the House of Commons May 18, 1932, pp. 3035-6.

NOTES FOR AN ADDRESS
BY THE HONOURABLE MARCEL MASSE
M.P. FOR FRONTENAC
MINISTER OF COMMUNICATIONS
TO THE CANADIAN CABLE TELEVISION
ASSOCIATION AND THE BROADCAST
EXECUTIVES SOCIETY

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1. INTRODUCTION: REASONS FOR FUNDAMENTAL REVIEW OF CANADIAN BROADCASTING
SYSTEM

I MUST BEGIN BY THANKING THE CANADIAN CABLE TELEVISION ASSOCIATION AND THE BROADCAST EXECUTIVES SOCIETY FOR INVITING ME TO SPEAK TO YOU TODAY. THIS IS MY FIRST OPPORTUNITY AS MINISTER OF COMMUNICATIONS TO ADDRESS SO MANY MEMBERS OF CANADA'S BROADCASTING COMMUNITY ALL AT ONCE -- BUT I SINCERELY HOPE I WILL HAVE MANY MORE SIMILAR OCCASIONS.

YOUR TWO ORGANIZATIONS REPRESENT THE VITAL FORCES OF CANADIAN BROADCASTING - ITS ENTREPRENEURS, ITS LEADERS, ITS FUTURE.

I AM ESPECIALLY PLEASED THAT THIS LUNCHEON IS TAKING PLACE AT THIS TIME, BECAUSE IT HAS PROVIDED ME WITH THE CHANCE TO SPEAK TO YOU ABOUT A SUBJECT THAT IS OF GREAT IMPORTANCE TO ALL OF US -- AND THAT IS THE CANADIAN BROADCASTING INDUSTRY AND ITS FUTURE.

TODAY OUR BROADCASTING SYSTEM FACES ENORMOUS DIFFICULTIES. CHANGING TECHNOLOGIES AND ECONOMICS, INCREASED DEMAND FOR SERVICES, INCREASED COMPETITION - THESE FACE EVERY BROADCASTER DAILY IN THE EXERCISE OF THE PROFESSION. YET THAT PROFESSION AND THAT INDUSTRY ARE OBLIGED TO FUNCTION WITHIN THE FRAMEWORK OF LEGISLATION THAT IS MORE THAN SEVENTEEN YEARS OLD. IT IS TIME FOR FUNDAMENTAL CHANGE.

AS CONSERVATIVE PRIME MINISTER R.B. BENNETT, SAID IN 1932, WHEN HE INTRODUCED BILL 94 ON BROADCASTING,

"THIS COUNTRY MUST BE ASSURED OF COMPLETE CANADIAN CONTROL OF BROADCASTING FROM CANADIAN SOURCES. WITHOUT SUCH CONTROL BROADCASTING CAN NEVER BE THE AGENCY BY WHICH NATIONAL CONSCIOUSNESS MAY BE FOSTERED AND SUSTAINED AND NATIONAL UNITY STILL FURTHER STRENGTHENED."

"(BUT) IT MAY BE THAT AT SOME FUTURE TIME, WHEN SCIENCE HAS MADE GREATER ACHIEVEMENTS...IT MAY BE DESIRABLE TO MAKE OTHER OR DIFFERENT ARRANGEMENTS."

IT IS NOW TIME FOR AN EXAMINATION OF OUR ARRANGEMENTS AND FOR A FUNDAMENTAL REVIEW OF THE BROADCASTING SYSTEM AS A WHOLE.

WHEN THE PROGRESSIVE CONSERVATIVE PARTY WAS ELECTED LAST SEPTEMBER, IT WAS ELECTED WITH A MANDATE FOR CHANGE. WE OFFERED NEW PEOPLE WITH NEW IDEAS AND A NEW APPROACH TO GOVERNMENT; AN APPROACH BASED ON TEAMWORK BOTH WITHIN THE GOVERNMENT AND BETWEEN THE PUBLIC AND PRIVATE SECTORS. THE PEOPLE OF CANADA RESPONDED BY ELECTING A TRULY NATIONAL GOVERNMENT, -- FOR THE FIRST TIME IN DECADES -- A GOVERNMENT REPRESENTING EVERY REGION -- AND BY A VERY LARGE MAJORITY. THE PEOPLE OF CANADA MADE IT CLEAR THAT THEY WANTED A CHANGE IN WHAT GOVERNMENT DOES, AND IN HOW GOVERNMENT DOES IT.

SINCE SEPTEMBER I AND MY COLLEAGUES HAVE BEEN APPLYING OUR MANDATE FOR CHANGE IN REAL TERMS -- IN POLICIES, PROGRAMS, AND APPROACHES TO PROBLEMS.

I DO NOT BELIEVE, NOR DOES THIS GOVERNMENT BELIEVE, THAT WE HAVE A MANDATE FOR ARBITRARY CHANGE -- NOR FOR UNFAIR CHANGE, OR CHANGE FOR ITS OWN SAKE.

I DO BELIEVE, HOWEVER, THAT WE HAVE A MANDATE TO EXAMINE THE PROBLEMS THAT HAVE BUILT UP OVER THE PAST NUMBER OF YEARS -- AND WE HAVE A MANDATE TO WORK TO RESOLVE THOSE PROBLEMS, IN A THOUGHTFUL AND INTELLIGENT FASHION.

AS I EXAMINED THE INDUSTRIES AND POLICY AREAS AFFECTED BY MY MINISTRY, I FOUND MANY ISSUES OF CONCERN IN THE AREA OF BROADCASTING.

I FOUND A CABLE INDUSTRY CONCERNED ABOUT THE REVENUE RESTRICTIONS OF RECENT YEARS, AND CONCERNED AS WELL ABOUT UNLICENSED COMPETITION THAT HAD BEEN ALLOWED TO REACH VERY SERIOUS PROPORTIONS.

I FOUND AN INDEPENDENT PROGRAM PRODUCTION INDUSTRY THAT WAS STRUGGLING TO DEVELOP IN A CLIMATE OF UNSTABLE FINANCING AND INCONSISTENT PUBLIC POLICY.

I FOUND A PUBLIC BROADCASTER ON WHOM THE DEMANDS OF THE PUBLIC AND THE GOVERNMENT HAD STEADILY INCREASED OVER THE YEARS, BUT WHOSE FUNDING COULD NOT KEEP PACE WITH THOSE DEMANDS, IN THE EVOLUTION OF THE ECONOMIC CONTEXT.

AND I FOUND A PRIVATE TELEVISION INDUSTRY WHICH WAS FACING THE INCREASED THREATS OF TECHNOLOGY AND AUDIENCE FRAGMENTATION, WITH LITTLE RECOGNITION FROM GOVERNMENT THAT THESE PROBLEMS MIGHT DEMAND A CHANGED POLICY ENVIRONMENT IF THEY ARE TO BE SUCCESSFULLY CONFRONTED.

AND I FOUND A LACK OF RECOGNITION OF THE PROFOUND IMPORTANCE OF THE COMMUNICATIONS INDUSTRY TO THE CANADIAN ECONOMY. THE COMMUNICATIONS INDUSTRY IS THE COUNTRY'S CULTURAL LIFELINE, AND THIS MUST BE OF PARAMOUNT CONCERN. HOWEVER, IT MUST ALSO BE RECOGNIZED AS AN IMPORTANT CREATOR OF JOBS AND ECONOMIC GROWTH.

CONCERNS OF THIS NATURE AND THIS MAGNITUDE ARE AMONG THE REASONS WHY, LAST DECEMBER IN MONTREAL, I INDICATED MY INTENTION TO REVIEW THE BROADCASTING POLICIES OF THE GOVERNMENT -- AND, IN DOING SO, TO CHART A COURSE FOR YOUR INDUSTRY THAT WILL TAKE YOU, AND THE COUNTRY WHICH YOU SERVE THROUGH YOUR INDUSTRY, INTO THE NEXT CENTURY.

2. PROBLEMS ADDRESSED IMMEDIATELY

AMONG THESE PROBLEMS, SOME WERE SUFFICIENTLY URGENT, AND THEIR SOLUTIONS WERE SUFFICIENTLY CLEAR, SO THAT I COULD MOVE TO ADDRESS THEM QUICKLY.

2.1 RECEPTION AND REDISTRIBUTION OF SATELLITE SIGNALS

ON DECEMBER TWENTIETH, AFTER RAPID BUT EXTENSIVE CONSULTATION WITH THOSE AFFECTED, I ANNOUNCED POLICY GOALS CONCERNING THE RECEPTION AND REDISTRIBUTION OF SATELLITE SIGNALS IN SMALL COMMUNITIES, WHOSE POPULATIONS SOUGHT ACCESS TO A BROADER RANGE OF SERVICES. UNLICENSED REDISTRIBUTION HAD BEEN GROWING RAPIDLY, CAUSING CONSIDERABLE HARM TO LICENSED CABLE OPERATORS.

SUCH ACTIVITY POSED, IN MY OPINION, A SERIOUS THREAT TO THE BROADCASTING SYSTEM, AND COULD NOT BE ALLOWED TO CONTINUE.

AT THE SAME TIME, HOWEVER, IT WAS CLEAR THAT SUCH WIDESPREAD ACTIVITY COULD ONLY BE THE RESULT OF POLICIES AND REGULATIONS WHICH WERE NOT IN KEEPING WITH THE WISHES OF MANY CANADIAN PEOPLE.

THEREFORE, I EXAMINED THE EXISTING POLICY FRAMEWORK, AND ANNOUNCED CHANGES WHICH MORE CLOSELY REFLECTED BOTH THE REALITIES OF NEW TECHNOLOGIES AND THE PARTICULAR DIFFICULTIES OF REMOTE AND UNDERSERVED COMMUNITIES.

SIMILARLY, I ASKED THE CRTC TO EXAMINE THEIR REGULATIONS IN THE LIGHT OF OUR NEW POLICY. THE COMMISSION RESPONDED SWIFTLY AND HELPFULLY TO DEVISE A REGULATORY FRAMEWORK WITHIN WHICH REMOTE AND UNDERSERVED COMMUNITIES CAN MORE EASILY BECOME PART OF THE CANADIAN BROADCASTING SYSTEM.

THE DEVELOPMENT OF OUR POLICY ON SERVICE TO REMOTE AND UNDERSERVED COMMUNITIES WAS, I THINK, A GOOD EXAMPLE OF THE WAY IN WHICH THIS GOVERNMENT OPERATES. WE RECOGNIZED THE URGENCY OF THE PROBLEM, WE DEALT WITH IT IN CONSULTATION WITH THE PEOPLE MOST AFFECTED BY IT, AND WE DID NOT DELAY IN ANNOUNCING OUR APPROACH AT THE EARLIEST POSSIBLE MOMENT.

2.2 SMATV

IN A RELATED AREA, I RECOGNIZE THE PARTICULAR CONCERNS OF CCTA MEMBERS WITH RESPECT TO COMPETITION FROM SMATV (SATELLITE MASTER ANTENNA TELEVISION) SYSTEMS, WHICH HAVE NOT YET BEEN EFFECTIVELY BROUGHT INTO THE REGULATED STRUCTURE OF THE CANADIAN BROADCASTING SYSTEM.

2.3 BILL C-20

HOWEVER, ALSO ON DECEMBER TWENTIETH, I INTRODUCED INTO PARLIAMENT PROPOSED LEGISLATION TO CLARIFY THE EXISTING DEFINITION OF BROADCASTING UNDERTAKINGS. THIS MEASURE WILL ENABLE THE CRTC TO EFFECTIVELY ADDRESS THE SMATV PROBLEM, WHICH IS OF SUCH CRITICAL IMPORTANCE TO THE CABLE INDUSTRY.

2.4 REVIEW OF FRENCH TELEVISION SERVICES

IN ANOTHER IMPORTANT STEP, LAST DECEMBER, I UNDERTOOK, IN COLLABORATION WITH MY COLLEAGUE MR. J.-F. BERTRAND, THE QUEBEC MINISTER OF COMMUNICATIONS, A STUDY OF THE FUTURE OF FRENCH LANGUAGE TELEVISION SERVICES IN CANADA. TOGETHER WE ESTABLISHED A WORKING GROUP OF OFFICIALS WHOSE TERMS OF REFERENCE ARE AS FOLLOWS:

- A) TO ANALYZE THE STATE OF FRENCH LANGUAGE TELEVISION IN QUEBEC AND IN CANADA;
- B) TO EXAMINE, REVIEW THE POLICIES, REGULATIONS AND LEGISLATIVE FRAMEWORKS OF THE TWO LEVELS OF GOVERNMENT;
- C) TO RECOMMEND TO MINISTERS THE OVERVIEW AS WELL AS AN OUTLINE OF FEASIBLE AND DESIRABLE ORIENTATIONS AND, WHERE APPROPRIATE, SHORT AND MEDIUM TERM JOINT ACTIONS, TAKING INTO ACCOUNT BOTH PRIVATE AND PUBLIC SECTOR CONTRIBUTIONS.

THE WORKING GROUP CONSULTED CLOSELY WITH REPRESENTATIVES OF THE BROADCASTING, CABLE, PRODUCTION, AND CULTURAL COMMUNITIES IN CARRYING OUT THEIR ANALYSES, AS WELL AS WITH THE GENERAL PUBLIC AND ASSOCIATIONS SUCH AS LA FÉDÉRATION DES FRANCOPHONES HORS QUÉBEC. MY DEPARTMENT ALSO SOLICITED INPUT FROM OTHER PROVINCIAL GOVERNMENTS WHERE THERE ARE SIGNIFICANT FRENCH SPEAKING MINORITIES. THE GROUP WILL BE SUBMITTING ITS REPORT TO M. BERTRAND AND MYSELF IN THE COMING WEEKS. THIS REPORT WILL CONSTITUTE A MAJOR ELEMENT IN OUR OVERALL REVIEW OF BROADCASTING POLICY.

2.5 REVISIONS TO BROADCAST PROGRAM DEVELOPMENT FUND

WE ALSO RECOGNIZED A NUMBER OF PROBLEMS IN THE INDEPENDENT PROGRAM PRODUCTION INDUSTRY, AND ON MARCH 15, I ANNOUNCED REVISIONS TO THE BROADCAST PROGRAM DEVELOPMENT FUND -- REVISIONS DESIGNED TO STRENGTHEN PRIVATE SECTOR AND REGIONAL PRODUCTION OF CANADIAN TELEVISION PROGRAMS.

AGAIN, THESE REVISIONS WERE ARRIVED AT AFTER EXTENSIVE CONSULTATION WITH TELEFILM CANADA, THE PROGRAM PRODUCTION INDUSTRY, PRIVATE AND PUBLIC BROADCASTERS AND REPRESENTATIVES OF THE CREATIVE COMMUNITY -- AND, FROM ALL INDICATIONS, THESE CHANGES WILL DRAMATICALLY IMPROVE THE CLIMATE FOR PRODUCTION OF CANADIAN PROGRAMS IN THE COMING MONTHS AND YEARS.

3. RATIONALE FOR FUNDAMENTAL REVIEW OF ENTIRE BROADCASTING SYSTEM

BUT, WHILE WE HAVE BEEN ABLE TO ADDRESS SOME OF THE URGENT PROBLEMS THAT CONFRONTED US AS A NEW GOVERNMENT, THERE ARE OTHER QUESTIONS WHICH ARE MORE COMPLEX, AND WHICH WILL TAKE MORE TIME TO SOLVE.

3.1 BACKGROUND FOR THE RATIONALE

THE PRESENT BROADCASTING POLICY FOR CANADA IS CONTAINED IN SECTION THREE OF THE BROADCASTING ACT. ITS PRINCIPLES HAVE SERVED US WELL IN THE SEVENTEEN YEARS SINCE IT WAS PASSED IN 1968. AMONG OTHER THINGS, THE POLICY STATES THAT THERE IS A SINGLE CANADIAN BROADCASTING SYSTEM COMPOSED OF BOTH PUBLIC AND PRIVATE ELEMENTS, WHICH SHOULD BE OWNED AND CONTROLLED BY CANADIANS. THE ACT SETS OBJECTIVES FOR PROGRAMMING, EXTENSION OF SERVICES, THE ROLE OF THE CBC AND THE NATURE OF ITS RELATIONSHIP WITH THE PRIVATE SECTOR. IT ALSO STATED THAT REGULATION AND SUPERVISION OF THE BROADCASTING SYSTEM SHOULD BE FLEXIBLE AND READILY ADAPTABLE TO SCIENTIFIC AND TECHNICAL ADVANCES.

THESE POLICY OBJECTIVES FOR THE CANADIAN BROADCASTING SYSTEM SHOULD, I AM SURE YOU WILL AGREE, BE REVIEWED. THE ENVIRONMENT IN WHICH YOU OPERATE, AND IN WHICH THE BROADCASTING SYSTEM MUST TRY TO MEET THESE OBJECTIVES, HAS CHANGED DRAMATICALLY SINCE 1968.

3.2 PRIVATE SECTOR

IN THAT YEAR, TOTAL BROADCASTING REVENUES AMOUNTED TO 356 MILLION DOLLARS, INCLUDING 144 MILLION FOR THE CBC.

IN 1984-85, BROADCASTING REVENUES APPROACHED THREE BILLION DOLLARS, INCLUDING 905 MILLION FOR THE CBC. YOUR INDUSTRY HAS GROWN ALMOST TEN-FOLD SINCE THE GOVERNMENT ESTABLISHED ITS POLICIES AND NOW EMPLOYS SEVENTY-FIVE THOUSAND CANADIANS, DIRECTLY AND INDIRECTLY.

IN 1968, OVER 30 PER CENT OF THE POPULATION RECEIVED TELEVISION SERVICES ONLY FROM THE CBC. NOW, LESS THAN 2 PER CENT OF CANADIANS RELY ON ONLY THE CBC, AND OVER 90 PER CENT OF CANADIANS HAVE ACCESS TO AT LEAST EIGHT DIFFERENT CHANNELS. TODAY, CANADIANS SPEND 22 PER CENT OF THEIR VIEWING TIME WATCHING CBC, 46 PER CENT WATCHING OTHER CANADIAN CHANNELS AND 32 PER CENT WATCHING AMERICAN PROGRAMMING.

TWENTY-ONE PROGRAMMING SERVICES, INCLUDING THE NEW PAY AND SPECIALITY CHANNELS ARE NOW DELIVERED BY CANADIAN SATELLITES, AND OVER FIFTY ARE RECEIVABLE FROM AMERICAN SATELLITES. CANADIANS ARE USING SATELLITE DISHES TO RECEIVE THEM.

THIRTY PER CENT OF CANADIAN HOMES CAN NOW IGNORE THE TELEVISION PROGRAMMER'S CAREFUL WORK, AND WATCH PROGRAMS AS THEY PLEASE ON THEIR VIDEO-CASSETTE RECORDERS -- AND, THEY ALSO HAVE THE OPTION TO IGNORE THE COMMERCIALS IN THE PROGRAMS THEY'VE RECORDED.

THIS TREMENDOUS EXPANSION OF SERVICES HAS CREATED ENORMOUS COMPETITION FOR THE PRIVATE BROADCASTING SECTOR, INCLUDING THE CABLE INDUSTRY. IT HAS ALSO CREATED A CLIMATE OF UNCERTAINTY ABOUT INCREASED PRIVATE INVESTMENT IN CANADIAN BROADCASTING.

A WAY MUST BE FOUND TO GIVE CANADIANS THE INCREASED CHOICE THEY DEMAND WITHIN AN ENVIRONMENT WHICH IS ATTRACTIVE TO PRIVATE ENTREPRENEURIAL INVESTMENT WHILE STILL ACHIEVING OUR CULTURAL GOALS FOR THE CANADIAN BROADCASTING SYSTEM.

3.3 PUBLIC SECTOR

DURING THIS SAME PERIOD, WHILE THE PRIVATE SECTOR ENVIRONMENT WAS BECOMING INCREASINGLY UNSTABLE, THE ROLE AND MANDATE OF THE NATIONAL PUBLIC BROADCASTER HAVE ALSO BEEN THE SUBJECT OF PUBLIC DISCUSSION AND CONCERN.

THE DEMANDS ON THE CANADIAN BROADCASTING CORPORATION ARE IMMENSE, AND THE LEVEL OF FUNDING THAT SUCCESSIVE GOVERNMENTS HAVE BEEN ABLE TO PROVIDE IN THE FACE OF OTHER PRIORITIES OVER THE PAST SEVENTEEN YEARS HAS NOT KEPT PACE WITH THE INCREASES IN THOSE DEMANDS.

DESPITE THIS, THE CBC PROVIDES AN EXTRAORDINARY RANGE OF SERVICES. IT OPERATES AM AND FM RADIO SERVICES IN ENGLISH AND FRENCH, TELEVISION SERVICES IN BOTH LANGUAGES, A NORTHERN SERVICE IN RADIO AND TELEVISION -- BROADCASTING IN A NUMBER OF NATIVE LANGUAGES, AN INTERNATIONAL SHORTWAVE SERVICE, DISTRIBUTION OF THE PROCEEDINGS OF THE HOUSE OF COMMONS, A TRANSCRIPTION SERVICE, A CLOSED-CAPTIONING SERVICE FOR THE HEARING IMPAIRED, INTERNATIONAL CONSULTING SERVICES AND VARIOUS MARKETING ACTIVITIES.

THE NEED FOR A DISCUSSION OF THE ROLE OF PUBLIC BROADCASTING IS CLEAR. WE MUST BE SURE THAT THE POLICIES OF THE GOVERNMENT ARE IN ACCORDANCE WITH THE WISHES OF THE PEOPLE WHOSE TAX DOLLARS SUPPORT THE PUBLIC BROADCASTER AND WHO ARE SERVED BY ITS ACTIVITIES.

A NEW CANADIAN CONSENSUS MUST BE FORGED WITH RESPECT TO OUR PUBLIC BROADCASTING. WE MUST EXAMINE CANADA'S EXPECTATIONS FOR ITS NATIONAL, REGIONAL, AND LOCAL SERVICES, AND DETERMINE HOW THOSE EXPECTATIONS CAN BEST BE MET.

HOWEVER, I MUST REINFORCE, AS I STATED TWO WEEKS AGO AT RYERSON THAT "THIS PROGRESSIVE CONSERVATIVE GOVERNMENT INTENDS TO ENSURE THAT PUBLIC BROADCASTING NOT ONLY SURVIVES, BUT PROSPERS, IN THE COMING YEARS ... THAT CANADIAN PUBLIC BROADCASTING, WHICH IS AN INTEGRAL PART OF THE CULTURAL FABRIC OF THIS COUNTRY, CONTINUES TO BE OF IMPORTANCE TO CANADIANS AND CONTINUES TO BE RELEVANT TO THEIR LIVES AS CITIZENS OF THE WORLD OF THE 1980'S AND 90'S."

3.4 SUMMARY OF RATIONALE

ALL OF THESE QUESTIONS THAT I HAVE DESCRIBED FOR YOU, AFFECTING BOTH THE PRIVATE AND PUBLIC SECTOR -- PROBLEMS OF EXPANDED PROGRAM AND CHANNEL CHOICE, CHANGING TECHNOLOGIES AND ECONOMICS, INCREASED DEMANDS AND, AT THE SAME TIME, INCREASED COMPETITION -- ALL THESE PROBLEMS HAVE BEEN DEVELOPING OVER THE PAST SEVENTEEN YEARS. SOME OF THEM HAVE BEEN ADDRESSED, IN PART, BY VARIOUS REVIEW PROCESSES DURING THAT TIME -- THE CLYNE COMMITTEE REPORT IN 1979, THE APPLEBAUM-HÉBERT REPORT IN 1982, AND OTHER LESS PUBLIC ENDEAVOURS.

BUT AT NO TIME SINCE 1968 HAS THERE BEEN A FUNDAMENTAL REVIEW OF THE CANADIAN BROADCASTING SYSTEM, AND IT IS CLEAR THAT SUCH A REVIEW IS LONG OVERDUE.

POLICY FOR THE CANADIAN BROADCASTING SYSTEM CANNOT BE DEVELOPED PIECE-BY-PIECE. THE SYSTEM IS FRAGILE -- ALL ITS PARTS ARE INTERRELATED. ALL PARTS OF THE SYSTEM DEPEND ON EACH OTHER FOR SUCCESS. THE ACTIVITIES AND PROGRAMS AND INVESTMENT PLANS OF CABLE OPERATORS AND CONVENTIONAL BROADCASTERS AND PAY OPERATORS AND EDUCATIONAL BROADCASTERS AND SPECIALTY SERVICES ALL HAVE ECONOMIC EFFECTS ON EACH OTHER -- AND ALL THESE PARTNERS, TAKEN TOGETHER, ARE A SINGLE BROADCASTING SYSTEM, CHARGED WITH ACHIEVING CERTAIN CULTURAL GOALS FOR THE NATION AS A WHOLE.

FOR THESE REASONS, BROADCASTERS POLICY MUST BE COMPREHENSIVE - IT CANNOT SIMPLY ADJUST ONE OR TWO OF THE PIECES WITHOUT CONSIDERING THE EFFECT ON THE REST OF THE SYSTEM. AND FOR THESE REASONS, I AM INITIATING A FUNDAMENTAL REVIEW OF CANADIAN BROADCASTING POLICY.

4. PROCESS OF THE REVIEW

I WILL BE APPOINTING A TASK FORCE OF INFORMED AND THOUGHTFUL PEOPLE TO GUIDE THIS REVIEW. I WOULD LIKE NOW TO READ TO YOU THEIR TERMS OF REFERENCE;

4.1 TERMS OF REFERENCE

I. THE TASK FORCE SHALL MAKE RECOMMENDATIONS TO THE MINISTER OF COMMUNICATIONS ON AN INDUSTRIAL AND CULTURAL STRATEGY TO GOVERN THE FUTURE EVOLUTION OF THE CANADIAN BROADCASTING SYSTEM THROUGH THE REMAINDER OF THIS CENTURY, RECOGNIZING THE IMPORTANCE OF BROADCASTING TO CANADIAN LIFE. THE STRATEGY WILL TAKE FULL ACCOUNT OF THE OVERALL SOCIAL AND ECONOMIC GOALS OF THE GOVERNMENT, OF GOVERNMENT POLICIES AND PRIORITIES, INCLUDING THE NEED FOR FISCAL RESTRAINT, INCREASED RELIANCE ON PRIVATE SECTOR INITIATIVES AND FEDERAL-PROVINCIAL CO-OPERATION, AND OF THE POLICIES OF THE GOVERNMENT IN OTHER RELATED ECONOMIC AND CULTURAL SECTORS. IT WILL ALSO TAKE FULL ACCOUNT OF THE CHALLENGES AND OPPORTUNITIES IN THE INCREASINGLY COMPETITIVE BROADCASTING ENVIRONMENT PRESENTED BY ONGOING TECHNOLOGICAL DEVELOPMENT.

II. THE TASK FORCE WILL EXAMINE AND MAKE RECOMMENDATIONS TO THE MINISTER ON:

- A) APPROPRIATE PUBLIC POLICY OBJECTIVES FOR THE CANADIAN BROADCASTING SYSTEM IN THE ENVIRONMENT OF THE 1980S AND 1990S, ADDRESSING SPECIFICALLY THE GOVERNMENT'S CULTURAL AND ECONOMIC PRIORITIES.
- B) THE ROLE AND MANDATE OF THE NATIONAL PUBLIC BROADCASTING SERVICE, AND THE PRIVATE BROADCASTING SECTOR AND THE SCOPE OF PROVINCIAL BROADCASTING SERVICES AND THE NATURE OF THEIR INTERRELATIONSHIPS IN THE CURRENT AND FUTURE ECONOMIC CONTEXT.
- C) THE DEMANDS AND DESIRES OF THE PUBLIC WITH RESPECT TO THE SERVICES PROVIDED BY THE BROADCASTING SYSTEM INCLUDING NATIONAL, REGIONAL AND LOCAL SERVICES; THE PARTICULAR NEEDS OF ANGLOPHONE AND FRANCOPHONE AUDIENCES ACROSS THE COUNTRY; THE NEEDS OF ETHNIC AUDIENCES; THE NEEDS OF NATIVE AUDIENCES; AND THE SPECIALIZED NEEDS OF OTHER CANADIANS.

- D) THE ROLE OF REGULATION AND OTHER POLICY INSTRUMENTS, INCLUDING IN PARTICULAR, EXPENDITURES OF PUBLIC FUNDS, AS EFFECTIVE AND EFFICIENT MEANS OF ACHIEVING THE OBJECTIVES.
- E) THE MEANS OF REDUCING STRUCTURAL IMPEDIMENTS TO THE BROADCASTING SYSTEM'S CONTRIBUTION TO THE CANADIAN ECONOMY AND SOCIETY.

III. IN FORMULATING ITS EVALUATION OF THE KEY FACTORS AND TRENDS IN THE ENVIRONMENT, THE TASK FORCE WILL CONSULT WITH, AND TAKE INTO ACCOUNT THE VIEWS OF A WIDE RANGE OF INTERESTED GROUPS AND INDIVIDUALS.

IV. THE TASK FORCE WILL SUBMIT ITS REPORT TO THE MINISTER OF COMMUNICATIONS BY JANUARY 15, 1986.

4.2 PROCEDURE OF THE REVIEW

I WISH TO STATE VERY CLEARLY WHAT I CONSIDER TO BE AN ESSENTIAL ELEMENT OF THIS REVIEW PROCESS -- AND THAT IS YOUR PARTICIPATION. THIS WILL NOT BE A PROCESS OF FORMAL PUBLIC HEARINGS OR SUBMISSIONS OF BRIEFS -- IT WILL NOT BE A COSTLY AND CUMBERSOME EXERCISE. I WILL BE APPOINTING A TASK FORCE OF PEOPLE WHOSE JOB IT IS TO MEET WITH YOU, AND WITH MANY OTHER CONCERNED AND INTERESTED CANADIANS, INFORMALLY AND REGULARLY, SO THAT YOU WILL BE INVOLVED AT ALL STAGES. THIS IS ALSO NOT TO BE AN INTERNAL REVIEW, WHERE THE KEY DECISIONS ARE TAKEN BEHIND CLOSED DOORS. THIS IS A CONSULTATIVE REVIEW, WHERE THE OPINIONS OF THE PEOPLE CONCERNED ARE JUST AS IMPORTANT AS THE OPINIONS OF GOVERNMENT OFFICIALS -- IT IS THE END OF BUREAUCRATIC INFALLIBILITY. IT IS ALSO A SERIOUS EXERCISE DESIGNED TO EXPLORE BOTH THE ECONOMIC AND THE CULTURAL GOALS WHICH IT IS REALISTIC FOR OUR SYSTEM TO ACHIEVE.

WHEN THE TASK FORCE HAS FINISHED ITS WORK, AND HAS REPORTED ITS FINDINGS TO ME, I WILL BE TAKING ITS RECOMMENDATIONS BEFORE MY CABINET COLLEAGUES, AND WILL THEN TABLE A WHITE PAPER BEFORE PARLIAMENT. I EXPECT THIS WHITE PAPER TO BE REFERRED TO A PARLIAMENTARY COMMITTEE, AND FORMAL PUBLIC DISCUSSION WILL TAKE PLACE IN THAT FORUM.

ANY NECESSARY CHANGES TO LEGISLATION WILL BE FORMULATED AT THAT TIME. WITH THE PASSAGE IN PARLIAMENT OF BILL C-20, THE GOVERNMENT WILL BE ABLE TO USE ITS NEW POWERS OF DIRECTION TO TRANSMIT ITS POLICIES TO THE CRTC, WHEN APPROPRIATE.

ALTHOUGH WE HAVE TRIED TO MAKE THE TERMS OF REFERENCE FOR THE TASK FORCE AS CLEAR AND ALL-ENCOMPASSING AS POSSIBLE, THEY MAY HAVE RAISED SOME QUESTIONS IN YOUR MINDS. FOR EXAMPLE, WILL THIS INITIATIVE PLACE A FREEZE ON ACTIVITY, OR WILL IT BE "BUSINESS AS USUAL" ?

IT IS NOT THE ROLE OF GOVERNMENT TO INTERFERE IN YOUR PURSUIT OF PROGRESS -- NOR TO FURTHER DE-STABILIZE YOUR INDUSTRY. AS A PARTY AND A GOVERNMENT COMMITTED TO ECONOMIC GROWTH AND RENEWAL, IT IS ESPECIALLY IMPORTANT TO US THAT YOU BE ABLE TO PURSUE YOUR INVESTMENT PLANS AND YOUR STRATEGIES FOR EXPANSION IN A HEALTHY AND STABLE ENVIRONMENT. YOUR ROLE IS TO RUN YOUR BUSINESSES, TO FULFILL YOUR COMMITMENTS, AND TO LIVE UP TO YOUR MANDATES. OUR ROLE IS TO ENSURE THAT YOU DO SO WITHIN THE BEST PUBLIC POLICY FRAMEWORK THAT IT IS POSSIBLE TO CREATE FOR THE GOOD OF ALL OF CANADA.

ALTHOUGH THE TASK FORCE WILL BE CONCENTRATING PRIMARILY ON THE PROVISION OF TELEVISION SERVICE, IT WILL ALSO EXAMINE RADIO, ESPECIALLY THE RADIO SERVICE MANDATE OF THE C.B.C., IN THE CONTEXT OF ITS OTHER RESPONSIBILITIES.

INDEED, RADIO PROVIDES AN ESSENTIAL LOCAL SERVICE, IN BOTH LARGE AND SMALL COMMUNITIES ACROSS THE COUNTRY. RADIO IS A VITAL COMPONENT OF OUR CULTURAL AND ECONOMIC LIFE. IT IS AN ESSENTIAL INSTRUMENT FOR THE PROMOTION OF CANADIAN TALENT -- AND IT ALSO REPRESENTS ONE-THIRD OF THE TOTAL REVENUES OF THE BROADCASTING INDUSTRY.

THEREFORE, THE REVIEW WILL UNDOUBTEDLY HAVE SIGNIFICANT IMPLICATIONS FOR RADIO BROADCASTING IN GENERAL. I AM AWARE OF THE DIFFICULT FINANCIAL SITUATION IN MANY PARTS OF THE COUNTRY. CONSEQUENTLY, THERE ARE SPECIFIC AND IMMEDIATE QUESTIONS WHICH RELATE TO THE PRIVATE RADIO AND SOUND RECORDING INDUSTRIES, AND ON WHICH WE HAVE A CONSENSUS.

SOME OF YOU HAVE BEEN WORKING WITH MY OFFICIALS ON MEASURES WHICH CAN BE TAKEN IMMEDIATELY TO ADDRESS THE WELL-DEFINED NEEDS OF THIS SECTOR. I SEE NO REASON TO DELAY THIS WORK, AND AFTER CONSULTATION WITH THE TASK FORCE AND THE INDUSTRIES, SPECIFIC INITIATIVES FOR THESE AREAS COULD BE ANNOUNCED IN THE NEAR FUTURE.

5. RECREATE THE NATIONAL WILL

I HAVE TALKED WITH YOU TODAY ABOUT A NUMBER OF COMPLEX ISSUES AND HOW I PROPOSE THAT THEY BE ADDRESSED. IT IS ESSENTIAL THAT WE ADDRESS THEM TOGETHER -- WHETHER AS BROADCASTERS, CABLE OPERATORS, PRODUCERS, CREATORS, PERFORMERS, GOVERNMENTS, OR AUDIENCES -- SO THAT, TOGETHER, WE CAN RE-CREATE OUR NATIONAL WILL FOR A TRULY CANADIAN BROADCASTING SYSTEM.

BY THAT I MEAN A SYSTEM WHICH STEADFASTLY EXPRESSES THE NATURE OF THIS COUNTRY -- THIS MASSIVE LAND, WITH ITS DIVERSE CULTURES AND GEOGRAPHIES, FROM POND INLET TO VICTORIA, FROM DAWSON CREEK TO CAPE RACE, BUT ALSO WITH ITS SHARED GOALS AND AMBITIONS AND DREAMS -- THIS CANADA, WHICH IS OURS TO SERVE AND TO PROTECT.

THIS COUNTRY DESERVES A BROADCASTING SYSTEM WHICH IS EQUAL TO ITS GREATNESS -- IT DESERVES THE CONTINUED RIGHT TO SEE ITSELF THROUGH ITS OWN EYES -- AND IT DESERVES THE CONTINUED DEDICATION OF THE PEOPLE WHO HAVE THE SKILLS AND TALENTS TO ENSURE THAT THE CANADIAN BROADCASTING SYSTEM IS THE VERY BEST IT CAN BE.

WE HAVE A VERY SPECIAL OPPORTUNITY. WE HAVE A SPECIAL COMBINATION OF CIRCUMSTANCES WHICH, TAKEN TOGETHER, WILL LEAD THE BROADCASTING SYSTEM INTO THE NEXT CENTURY.

YOU HAVE A TRULY NATIONAL GOVERNMENT IN OTTAWA, WHICH HAS BEEN GIVEN A MANDATE FOR CHANGE FROM EVERY PROVINCE AND EVERY REGION OF THE COUNTRY. YOU HAVE A GOVERNMENT COMMITTED TO CONSULTATION AND TO THE BUILDING OF NATIONAL CONSENSUS. YOU HAVE A GOVERNMENT WHICH WILL HAVE THE LEGAL POWER, THROUGH BILL C-20, TO ENSURE THAT ITS POLICIES FOR BROADCASTING ARE CARRIED OUT -- A GOVERNMENT AT THE BEGINNING OF ITS MANDATE, WITH THE TIME TO BE THOUGHTFUL AND COMPREHENSIVE, AND THE INTEGRITY TO BE FAIR AND REASONABLE.

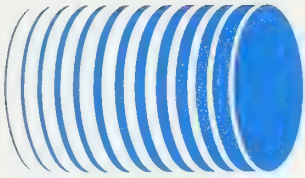
AT THE SAME TIME, YOU ARE AN INDUSTRY WHICH RECOGNIZES THAT CHANGE IS INEVITABLE, AND WHICH HAS THE WILL TO SEIZE THAT CHANGE AND TO PROFIT FROM IT. YOU ARE AN INDUSTRY WHICH HAS MUCH TO OFFER TO EACH OTHER AND TO THE GOVERNMENT IN THE FORMULATION OF PUBLIC POLICY. YOU ARE AN INDUSTRY WITH A COMMITMENT TO THE COUNTRY WHICH YOU SERVE, AND WITH THE INITIATIVE AND THE TALENT TO SERVE IT WELL.

AND, TO ADD TO OUR SPECIAL OPPORTUNITY, WE HAVE A POPULATION AT LARGE WHICH IS WILLING TO PARTICIPATE WITH US IN THE BUILDING OF A NATIONAL CONSENSUS -- A POPULATION WHICH HAS HIGH EXPECTATIONS OF ITS GOVERNMENT. THE PEOPLE OF CANADA ATTACH A GREAT DEAL OF IMPORTANCE TO OUR BROADCASTING SYSTEM -- IT IS RECOGNIZED AS A VITAL ELEMENT OF OUR CULTURE, AND OF OUR ABILITY TO REMAIN CANADIAN. WE -- YOU AND I -- ARE AMONG THOSE WHO HAVE BEEN CHARGED WITH PROTECTING THE CULTURAL SOVEREIGNTY OF THIS GREAT NATION.

A NATION WHICH, BY ITS VERY NATURE, CONFRONTS MANY DIFFICULTIES -- IT IS SO BIG AND SO SMALL, SO NEAR A VERY POWERFUL NEIGHBOUR. BUT DESPITE THESE DIFFICULTIES, WE HAVE FLOURISHED -- AND HAVE DONE SO IN LARGE MEASURE BECAUSE WE COMMUNICATE.

LET US TOGETHER ENSURE THAT THIS NATION CONTINUES TO COMMUNICATE -- THAT NORTH AND SOUTH, EAST AND WEST, CITIES, TOWNS, AND VILLAGES, ALL CONTINUE TO BE WELL SERVED BY OUR CANADIAN BROADCASTING SYSTEM WELL INTO THE TWENTY-FIRST CENTURY, AND BEYOND.

THANK YOU.



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"General culture is that which allows the individual to feel fully his solidarity with other men, in space and in time, with those of this generation as well as with the generations which preceded him and with those which will follow him."

Paul Langevin

La pensée et l'action

NOTES FOR AN OPENING STATEMENT
BY THE HONOURABLE MARCEL MASSE
M.P. FOR FRONTENAC
MINISTER OF COMMUNICATIONS
AT THE FEDERAL, PROVINCIAL
AND TERRITORIAL CONFERENCE
ON FILM AND BOOKS

MONTREAL, QUEBEC
MARCH 4, 1986

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1. INTRODUCTION

LADIES AND GENTLEMEN:

AS FEDERAL MINISTER OF COMMUNICATIONS, CO-CHAIRMAN AND A QUEBEC MP, I WOULD LIKE TO BEGIN BY CORDIALLY WELCOMING EACH AND EVERY ONE OF YOU TO THIS CONFERENCE AND TO THIS GREAT CITY OF MONTREAL. I HOPE THAT DURING YOUR STAY, BRIEF THOUGH IT MAY BE, YOU WILL BE ABLE TO APPRECIATE THE ARDOUR AND DYNAMISM OF THIS UNIQUE CITY, THE SECOND LARGEST FRENCH-SPEAKING CITY IN THE WORLD AND A SPECIAL PLACE WHOSE POPULATION MIRRORS ALL THE DIFFERENCES THAT MAKE UP THE CANADIAN REALITY.

I CONSIDER IT QUITE FITTING THAT WE SHOULD BE MEETING TODAY TO DISCUSS FILM AND BOOKS IN A CITY WHOSE CULTURAL INFLUENCE HAS LONG SINCE REACHED THE WHOLE WORLD. SINCE EXPO 67, MONTREAL HAS BECOME A KIND OF WINDOW THROUGH WHICH MANY OTHER COUNTRIES HAVE DISCOVERED CANADA AND ITS SPECIAL QUALITIES. IF OUR CULTURE IS MADE UP OF THE MANY AND VARIED EXPRESSIONS OF THE LIFE WE LEAD, YOU WILL AGREE, I THINK, THAT IT IS ALSO THROUGH OUR BOOKS AND FILMS THAT WE CONVEY TO OURSELVES AND THE WHOLE WORLD, THIS IDENTITY THAT IS OURS ALONE.

2. THE OBLIGATION TO SUCCEED

YOU RECOGNIZE, AS I DO, THE HISTORIC NATURE OF THIS CONFERENCE. WE CAN ASSERT WITHOUT ANY HESITATION THAT, FOR THE FIRST TIME IN OUR HISTORY, THE GOVERNMENT OF CANADA AND THE GOVERNMENTS OF THE PROVINCES AND TERRITORIES HAVE AGREED TO WORK TOGETHER IN A SPIRIT OF RESPECT FOR THEIR RESPECTIVE JURISDICTIONS TO SEEK EFFECTIVE METHODS OF ENSURING THE DEVELOPMENT OF TWO SECTORS OF ACTIVITY THAT ARE OF VITAL IMPORTANCE TO THE FUTURE OF ALL CANADIANS. TODAY WE HAVE, INDIVIDUALLY AND COLLECTIVELY, A HISTORIC OPPORTUNITY TO ACT.

WE MUST FULLY ACCEPT THE RESPONSIBILITY PLACED UPON US TODAY. WE MUST RECOGNIZE THE OBLIGATION THAT WE HAVE TO TAKE CONCRETE, EFFECTIVE ACTION. HOLDING THIS CONFERENCE WAS NOT AN OBJECTIVE; OUR MEETING IS, FIRST AND FOREMOST, THE RESULT OF A PROCESS OF INTERGOVERNMENTAL AND INDUSTRY COLLABORATION THAT WE INITIATED IN FEBRUARY 1985 IN VANCOUVER AND OF A COMMITMENT THAT WE UNANIMOUSLY EXPRESSED IN SEPTEMBER 1985 IN HALIFAX.

3. THE ANALYSIS PHASE

AT THE FEDERAL-PROVINCIAL CONFERENCE HELD IN HALIFAX, WE AGREED TO PAINT A REALISTIC PICTURE OF THE SITUATION FACING THE FILM AND BOOK PUBLISHING INDUSTRIES, TO DRAW UP A LIST OF OUR MECHANISMS FOR INTERVENING AND TO IDENTIFY A SERIES OF OPTIONS THAT WE, AS GOVERNMENTS, COULD ADOPT IN ORDER TO ACHIEVE OUR OBJECTIVES.

I AM DELIGHTED TO NOTE THAT THESE PRELIMINARY STEPS WERE SUCCESSFUL. OVER THE PAST FEW MONTHS, WE HAVE HONOURED THE COLLECTIVE COMMITMENT THAT WE MADE TO CANADIANS IN SEPTEMBER 1985. THE TASK FORCE ON THE FILM INDUSTRY, WHICH I SET UP IN THE FALL OF 1985, PRESENTED ITS REPORT TO ME IN DECEMBER.

I ALSO CONDUCTED EXTENSIVE CONSULTATIONS WITH ALL CONCERNED ABOUT THE SITUATION IN THEIR RESPECTIVE INDUSTRIES AND ABOUT THE RANGE OF POSSIBLE SOLUTIONS. THE PRINCIPAL REPRESENTATIVES OF THE FILM AND BOOK PUBLISHING INDUSTRIES MET AT SYMPOSIUMS HELD IN TORONTO AND OTTAWA LAST WEEK AND HAD AN OPPORTUNITY TO CONSIDER THE QUESTIONS THAT WE WILL BE TACKLING TODAY.

AT THE SAME TIME, THERE WERE MEETINGS AMONG OUR OFFICIALS AND I AM GRATEFUL THAT YOU WELCOMED MY REPRESENTATIVES, FRANCIS FOX AND JAMES MARSH, WHEN THEY UNDERTOOK DISCUSSIONS AND CONSULTATION AT THE POLITICAL LEVEL.

4. CULTURE IN A MODERN SOCIETY

THE FRENCH PHYSICIST PAUL LANGEVIN WROTE, IN LA PENSÉE ET L'ACTION:

"GENERAL CULTURE IS THAT WHICH ALLOWS THE INDIVIDUAL TO FEEL FULLY HIS SOLIDARITY WITH OTHER MEN, IN SPACE AND IN TIME, WITH THOSE OF THIS GENERATION AS WELL AS WITH THE GENERATIONS WHICH PRECEDED HIM AND WITH THOSE WHICH WILL FOLLOW HIM."
(CLOSE QUOTE)

IT IS ABOUT THIS CULTURE THAT WE HAVE COME TO SPEAK TODAY -- ABOUT ITS IMPORTANCE IN OUR COLLECTIVE EXISTENCE AS A DISTINCTIVE PEOPLE AND ALSO ABOUT THE ELEMENTS IT NEEDS TO FLOURISH AND TO GUARANTEE OUR DEVELOPMENT.

BY OUR HISTORY, BY OUR POLITICAL INSTITUTIONS, BY THE EXISTENCE AND THE RECOGNITION OF OUR TWO DISTINCT LINGUISTIC COMMUNITIES, BY THE CONTRIBUTION OF OUR NATIVE PEOPLES AND BY THE ENRICHMENT BROUGHT TO US FROM EVERY CORNER OF THE

WORLD, WE FORM A UNIQUE AND MATURE SOCIETY. WE EXPRESS THIS SPECIFIC NATURE, SOMETIMES UNCONSCIOUSLY, IN OUR DAILY LIVES. FOREIGNERS WHO VISIT CANADA NOTE FIRST OF ALL THE NORTH AMERICAN CHARACTER OF OUR GREAT METROPOLISES, BUT THEY DISCOVER THEIR UNIQUE STAMP JUST AS QUICKLY.

THE SIMILARITIES ARE AS NUMEROUS AS THE DIFFERENCES ARE FUNDAMENTAL. EVERY ASPECT OF OUR LIFE IS THE PRODUCT OF AN EVOLUTION WHICH IS OUR OWN AND OUR DETERMINATION TO PURSUE OUR EXISTENCE AS CANADIANS CONTINUES TO BE EXPRESSED IN OUR INDUSTRIAL PRODUCTS AS WELL AS IN OUR ARCHITECTURE AND OUR URBANISM, FOR EXAMPLE.

4.1 CREATIVE ENERGY

THIS PARTICULAR CULTURE REVEALS ITSELF IN OUR ART, BUT IT IS ALSO THE CREATIVE ENERGY WHICH ACTUATES THE WHOLE OF OUR ACTIVITIES AS A MODERN SOCIETY. OUR ABILITY TO INNOVATE IN TECHNOLOGICAL AND INDUSTRIAL SECTORS DEPENDS ON IT. FOR INSTANCE, WHY ARE WE WORLD-RENOWNED AS INNOVATORS AND LEADERS IN THE REALM OF COMMUNICATIONS SATELLITES? IT IS SIMPLY BECAUSE WE HAVE TRIED TO RESPOND IN OUR OWN WAY TO THE CHALLENGE PRESENTED BY THE IMMENSITY OF OUR TERRITORY AND OUR SPARSE POPULATION.

IN THIS MODERN TECHNOLOGICAL ENVIRONMENT WHICH PUSHES US INEXORABLY TOWARD THE "GLOBAL VILLAGE" AND THE STANDARDIZATION THAT RESULTS FROM IT, EVERY INDIVIDUAL, EVERY REGION, SOCIETY AND PEOPLE FEELS THIS BASIC NEED TO PRESERVE A DISTINCT AND INDIVIDUAL CHARACTER.

RESPECT FOR THE INDIVIDUAL RECOGNITION OF THE RICHNESS WHICH THE DIVERSITY OUR REGIONS OFFERS, AND OUR BASIC COMMITMENT TO A PLURALISTIC SOCIETY -- THESE ARE THE VERY FOUNDATIONS OF CANADIAN CULTURE. IN FACT, SERGE TURGEON, PRESIDENT OF THE UNION DES ARTISTES, REMINDED US THAT "TO REMAIN A QUEBECKER, ONE MUST DEFEND THAT WHICH IS CANADIAN."

4.2 THE INSTRUMENTS OF EXPRESSION

TO CULTIVATE AND REINFORCE WHAT NORTHROP FRYE HAS CALLED "THE SPIRIT OF A CLEARLY DEFINED ENVIRONMENT," CANADIANS MUST BE ABLE TO PARTICIPATE FULLY IN THIS CULTURE. THE TELEVISION SHOWS AND FILMS WE WATCH, THE MUSIC AND RADIO WE LISTEN TO, THE BOOKS AND MAGAZINES WE READ, AS WELL AS THE CONCERTS AND PLAYS WE

ATTEND, THESE ARE THE INSTRUMENTS OF WHAT WE SHARE. IT IS BY THESE WORKS THAT WE ARE ABLE TO KNOW EACH OTHER, UNDERSTAND EACH OTHER AND SITUATE OURSELVES IN THE WORLD. CANADA IS THE MOST RECEPTIVE COUNTRY IN THE WORLD TO CULTURAL INFLUENCES AND DEPENDS UPON ALL PEOPLES FOR ITS RICHNESS AND DIVERSITY. NEVERTHELESS, WITHIN THIS VAST RANGE OF CHOICE WE MUST FIND THE PRODUCTS WHICH ARE OUR OWN AND WHICH REFLECT OUR OWN REALITY.

4.3 THE PROBLEM

THE EVOLUTION OF CANADA'S CAPACITY TO PROMOTE ITS CULTURAL IDENTITY IS A FUNCTION OF THE EFFORTS THAT HAVE BEEN MADE TO DEVELOP AND EXPAND THE PRESENCE OF CANADIAN PRODUCTS IN A DOMESTIC ECONOMY INFLUENCED FIRST BY FRANCE AND GREAT BRITAIN AND LATER BY THE UNITED STATES. THIS HAS BEEN A LONGSTANDING CONCERN OF SUCCESSIVE GENERATIONS OF CANADIANS, AND WHILE TREMENDOUS PROGRESS HAS BEEN MADE OVER THE LAST FIFTY YEARS, IT STILL REMAINS A FUNDAMENTAL OBJECTIVE.

BY CULTURAL PRODUCTS, WE MEAN THE VAST RANGE OF GOODS THAT ARE CENTRAL TO THE DEVELOPMENT AND MAINTENANCE OF OUR UNDERSTANDING OF OURSELVES AS A PEOPLE, INCLUDING TELEVISION AND RADIO PROGRAMS, BOOKS, NEWSPAPERS, MAGAZINES, FILMS, PLAYS, PAINTINGS AND SOUND RECORDINGS. IT IS THESE PRODUCTS WHICH GENERATE IN CANADIANS OF ALL ETHNIC BACKGROUNDS, LIVING IN ALL REGIONS OF CANADA, AND COMING FROM ALL WALKS OF LIFE A SENSE OF BELONGING TO THIS COUNTRY AND THE OPPORTUNITY TO CELEBRATE A COMMON IDENTITY AND SET OF VALUES.

CANADIANS CONSUME A CONSIDERABLE QUANTITY OF FOREIGN CULTURAL PRODUCTS. IN OUR VIEW, THIS REFLECTS NOT ONLY THEIR REMARKABLE OPENNESS TO THE REST OF THE WORLD, BUT ALSO A CONFIDENCE THAT THIS CONSUMPTION DOES NOT CONSTITUTE A CHALLENGE TO WHO WE ARE. HOWEVER, CANADIANS HAVE ALSO ALWAYS WANTED TO SEE A REASONABLE SELECTION OF TRULY CANADIAN CULTURAL GOODS INCLUDED AMONG THE ABUNDANCE OF CULTURAL PRODUCTS AVAILABLE IN CANADA.

THE TRADITIONAL DISSEMINATION OF AN ABUNDANCE OF FOREIGN CULTURAL PRODUCTS IN CANADA MAY BE EXPLAINED TO A LARGE EXTENT BY THE RELATIVE SMALLNESS OF OUR DOMESTIC MARKET COMBINED WITH THE GREAT GEOGRAPHICAL SIZE OF OUR COUNTRY. IF WE CONSIDER THAT OUR POPULATION, COMPOSED OF DISTINCT REGIONAL, LINGUISTIC AND ETHNIC GROUPS (WHICH HAS NOT, IN THIS CASE, RESULTED IN THE DEVELOPMENT OF AN

"OFFICIAL NATIONAL CULTURE"), IS SCATTERED ACROSS THE SECOND LARGEST COUNTRY IN THE WORLD, THEN IT IS CLEAR THAT WE ARE DISADVANTAGED BY COMPARISON TO SUCH COUNTRIES AS FRANCE, GREAT BRITAIN AND THE UNITED STATES, WHICH BENEFIT FROM A MUCH LARGER, MORE HOMOGENEOUS POPULATION BASE INHABITING A SMALLER AREA.

THE FRANCOPHONE MARKET IN CANADA IS ONE SEVENTH OF FRANCE'S MARKET AND THE ANGLOPHONE MARKET IS JUST ONE QUARTER OF GREAT BRITAIN'S AND ONE SIXTEENTH THAT OF THE UNITED STATES. UNDER THESE CIRCUMSTANCES, THE CULTURAL INDUSTRIES OF THESE COUNTRIES CAN ACHIEVE ECONOMIES OF SCALE AND THUS CREATE AND DISTRIBUTE PRODUCTS IN THEIR OWN COUNTRIES AND IN CANADA AT A MUCH LOWER COST THAN OUR OWN INDUSTRIES CAN. TWO EXAMPLES GRAPHICALLY ILLUSTRATE THIS SITUATION:

- IN THE BROADCASTING SECTOR, IT IS NEARLY ALWAYS MORE PROFITABLE TO PURCHASE AN AMERICAN PRODUCT THAN IT IS TO INVEST IN THE CREATION OF A CANADIAN PRODUCT. TO PURCHASE AN EPISODE OF DALLAS FROM THE AMERICAN PRODUCER COSTS APPROXIMATELY 50,000 THOUSAND DOLLARS (CANADIAN); TO PRODUCE A CANADIAN EPISODE OF COMPARABLE QUALITY WOULD COST NEARLY ONE MILLION DOLLARS.
- IN THE PUBLISHING INDUSTRY, GENERAL-INTEREST BOOKS CONSIDERED TO BE BEST-SELLERS IN THE UNITED STATES WILL HAVE PRODUCTION RUNS OF OVER 100,000 COPIES (WITH ADDITIONAL COPIES FOR CANADA BEING PRODUCED AT LITTLE MARGINAL COST). IN CANADA, HOWEVER, BECAUSE OF THE DIFFERENCE IN MARKET SIZE, 10,000 COPIES SOLD WILL MAKE A BEST-SELLER. GIVEN THAT FIXED COSTS ARE SPREAD OVER A MUCH SMALLER PRODUCTION RUN, UNIT PRODUCTION COSTS ARE CONSIDERABLY HIGHER HERE.

CANADIAN PRODUCERS OF CULTURAL PRODUCTS ARE THUS FACED WITH AN INVIDIOUS CHOICE WHEN COMPETING WITH FOREIGN PRODUCERS: EITHER THEY ATTEMPT TO SELL GOODS AT HIGHER UNIT COSTS OR THEY REDUCE QUALITY.

THE PROBLEMS ASSOCIATED WITH ECONOMIES OF SCALE ARE EXACERBATED BY THE STRUCTURAL ADVANTAGES ENJOYED BY THE FOREIGN-OWNED CULTURAL INDUSTRIES IN CANADA. THE PRINCIPAL ELEMENT CONTAINED IN MARKETING STRATEGIES ADOPTED BY THESE FIRMS, PARTICULARLY IN THE FILM, SOUND RECORDING AND PUBLISHING SECTORS, IS THE NEED TO MINIMIZE THE HIGH RISKS ASSOCIATED WITH THE SCALE OF CULTURAL PRODUCTS. INDEED, THE ABILITY OF CULTURAL FIRMS TO MAXIMIZE THEIR PROFITS DEPENDS TO A LARGER EXTENT THAN IN OTHER ECONOMIC SECTORS ON THE TASTES OF CONSUMERS, WHICH CAN FLUCTUATE DRAMATICALLY. TRADITIONALLY, IT HAS ONLY BEEN

POSSIBLE TO GENERATE THE CRITICAL LEVEL OF CAPITAL REQUIRED TO COVER LOSSES IN THESE INDUSTRIES (WHICH OFTEN CANNOT BE PREDICTED DESPITE IMPRESSIVE MARKETING EFFORTS) BY ADOPTING A MARKET STRUCTURE CHARACTERIZED IN THE FOLLOWING MANNER:

A. VERTICAL INTEGRATION

THIS PROCESS, THROUGH WHICH COMPANIES EXPAND BY MERGING WITH THEIR SUPPLIERS (UPSTREAM) AND THEIR DISTRIBUTORS (DOWNSTREAM), HAS BECOME NORMAL ECONOMIC BEHAVIOUR IN SUCH CULTURAL SECTORS AS THE FILM INDUSTRY, IN WHICH THE COSTS AND RISKS ARE HIGH. TRADITIONALLY, PRODUCERS HAVE GONE TO GREAT LENGTHS TO SECURE MARKETS IN ADVANCE OF PRODUCT RELEASE; VERTICAL INTEGRATION HAS BEEN THE PREFERRED TECHNIQUE USED TO ACCOMPLISH THIS. IN THE FILM INDUSTRY, THE AMERICAN MAJORS (I.E. COLUMBIA, PARAMOUNT, M.G.M., ETC.) HAVE ESTABLISHED UNIFIED PRODUCER/DISTRIBUTOR NETWORKS AROUND THE WORLD. THIS NOT ONLY ENSURES BETTER SPREADING AND SHARING OF RISKS, BUT ALSO GREATER MARKET CONTROL. CANADIAN-OWNED FIRMS OFTEN FIND, HOWEVER, THAT THESE VERTICALLY INTEGRATED FOREIGN PRODUCERS, BY VIRTUE OF THEIR CONTROL OVER CANADIAN DISTRIBUTION AND EXHIBITION NETWORKS (I.E., PARAMOUNT PICTURES IN CANADA CONTROLS THE FAMOUS PLAYERS CINEMA CHAIN) ACT TO RESTRICT ACCESS BY CANADIAN PRODUCERS TO THESE NETWORKS IN CANADA, AND THUS TO THEIR OWN DOMESTIC MARKET.

B. HORIZONTAL INTEGRATION

THIS PROCESS, THROUGH WHICH COMPANIES EXPAND BY MERGING WITH OTHER FIRMS PRODUCING THE SAME RANGE OF COMMODITIES, IS AN EXCELLENT MEANS OF STRENGTHENING FINANCIAL POSITION WHILE INCREASING MARKET SHARE. THROUGH SUCH HORIZONTAL INTEGRATION, COMPANIES CANNOT ONLY ATTAIN AN OPTIMUM SIZE FOR ECONOMIC EFFICIENCY AND IMPROVE THE SPREADING OF RISKS, THEY ALSO HAVE THE POSSIBILITY OF CROSS-SUBSIDIZING THEIR PRODUCT LINES. THAT IS, THEY CAN USE PROFITS FROM INCOME-GENERATING COMMODITIES TO OFFSET LOSSES INCURRED IN THE PRODUCTION OF HIGH-RISK COMMODITIES. IN SUCH SECTORS AS PUBLISHING, FICTION AND NON-FICTION AIMED AT THE GENERAL PUBLIC IS TRADITIONALLY FINANCED BY PROFITS FROM MORE STABLE LINES OF BUSINESS SUCH AS THOSE FOR EDUCATION, SCIENCE AND TECHNOLOGY. SINCE THESE MORE STABLE LINES OF BUSINESS IN CANADA ARE CONTROLLED PREDOMINANTLY BY FOREIGN INTERESTS, CANADIAN FIRMS OFTEN DO NOT HAVE THE ABILITY TO CROSS-SUBSIDIZE LITERARY OR CULTURAL WORKS WHICH PRESENT GREATER RISKS IN TERMS OF POTENTIAL COST-RECOVERY THROUGH SALES.

THESE STRUCTURAL ADVANTAGES NOT ONLY SERVE TO RENDER FOREIGN FIRMS COMMERCIALY SUPERIOR TO CANADIAN ONES, THEY ALSO EFFECTIVELY REDUCE THE INCENTIVES TO PRODUCE CANADIAN CULTURAL PRODUCTS. SINCE FOREIGN FIRMS CAN DISTRIBUTE THEIR OWN PRODUCTS AT MUCH LOWER UNITS COSTS, IT IS NOT SURPRISING THAT CORPORATE PERFORMANCE STUDIES SHOW THAT THEY ARE LESS LIKELY THAN CANADIAN FIRMS TO INVEST IN THE PRODUCTION OF CANADIAN GOODS.

FAR FROM WANTING TO ERECT BARRIERS TO THE FREE FLOW OF FOREIGN CULTURAL PRODUCTS IN CANADA, CANADIANS AND THEIR GOVERNMENTS HAVE ALWAYS SOUGHT TO PROMOTE THE GREATEST POSSIBLE CHOICE OF CULTURAL PRODUCTS BY TAKING ACTION PRIMARILY TO STIMULATE THE SUPPLY OF, BUT ALSO THE DEMAND FOR, CANADIAN CULTURAL PRODUCTS.

THE SMALL SIZE OF THE CANADIAN MARKET IN COMPARISON WITH SUCH LARGE WESTERN MARKETS AS THOSE OF THE UNITED STATES, FRANCE AND UNITED KINGDOM IS A BARRIER TO THE ABILITY OF CANADIAN-OWNED CULTURAL FIRMS TO ACHIEVE SUFFICIENT ECONOMIES OF SCALE TO BECOME VIABLE. THIS BARRIER IS HEIGHTENED BY THE DOMINANCE OF CANADIAN CULTURAL MARKETS BY VERTICALLY AND HORIZONTALLY INTEGRATED FOREIGN FIRMS, WHICH PREVENTS THE CANADIAN-OWNED PRIVATE SECTOR FROM HAVING FULL ACCESS TO ITS DOMESTIC MARKET.

MOREOVER, THESE STRUCTURAL CHARACTERISTICS AND THE TENDENCY OF MULTINATIONAL MANUFACTURING CONGLOMERATES TO DIVERSIFY INTO THE LEISURE, INFORMATION AND COMMUNICATIONS INDUSTRIES, ACCOMPANIED BY CORPORATE STRATEGIES WITH INCREASED EMPHASIS ON MARKETING, ARE CREATING A COMMERCIAL ENVIRONMENT IN WHICH THE CANADIAN MARKET IS BECOMING INCREASINGLY LESS DIFFERENTIATED FROM THE OTHER CONSTITUENT ELEMENTS OF THE NORTH AMERICAN MARKET WITH RESPECT TO THE DISTRIBUTION OF CULTURAL PRODUCTS. UNDER THESE CONDITIONS, CANADIAN-OWNED FIRMS FIND IT DIFFICULT TO FIND SELF-FINANCING IN THEIR OWN MARKETS, WITHOUT WHICH THEY CANNOT FULLY EXPLORE THE CREATIVE OPPORTUNITIES THAT ARE THE MAIN FUNCTION OF SUCH A CULTURAL ENTERPRISE.

4.4 A FUNDAMENTAL RIGHT

FOR A HALF-CENTURY CANADIAN GOVERNMENTS HAVE ADOPTED A SERIES OF LEGISLATIVE AND REGULATORY MEASURES AND HAVE ALLOWED CONSIDERABLE INVESTMENT IN ORDER TO GUARANTEE THE EXISTENCE OF A REASONABLE CHOICE OF CANADIAN PRODUCTS. THE

CREATION OF A PUBLIC BROADCASTING SYSTEM, THE BROADCASTING ACT OF 1968, THE ESTABLISHMENT OF THE CANADA COUNCIL, THE NATIONAL FILM BOARD AND TELEFILM CANADA, BILL C-58 ON ADVERTISING, THE CANADIAN BOOK PUBLISHING DEVELOPMENT PROGRAM ARE ONLY A FEW OF THE MEASURES TAKEN BY THE GOVERNMENT OF CANADA. THE SAME CONCERN INSPIRED THE INITIATION OF A GREAT NUMBER OF STRATEGIC ACTIONS BY THE PROVINCIAL GOVERNMENTS, AND EVEN CERTAIN MUNICIPALITIES, ALL INCREASINGLY SUPPORTED BY THE PRIVATE SECTOR.

5. A DYNAMIC CULTURE

WE DID NOT MEET HERE TODAY TO TAKE STOCK OF A WEAKENED AND VULNERABLE CULTURE. CANADIANS NOW PARADE THEIR CULTURE AS NEVER BEFORE. I HAVE FELT THIS IN EVERY REGION OF THE COUNTRY THAT I HAVE HAD THE OPPORTUNITY TO VISIT OVER THE PAST FEW MONTHS. THE TOURS THAT ARE BEING MADE BY OUR THEATRE AND DANCE COMPANIES AND SYMPHONY ORCHESTRAS ENABLE US TO BECOME KNOWN BEYOND OUR BORDERS. I NEED ONLY MENTION THE SUCCESS THAT THE STRATFORD FESTIVAL RECENTLY ACHIEVED IN THE UNITED STATES AND THE MANY HONOURS WITH WHICH THE MONTREAL SYMPHONY ORCHESTRA HAS BEEN COVERED ON THE INTERNATIONAL SCENE. OUR POPULAR SINGERS HAVE DONE WELL FOR THEMSELVES IN THE INTERNATIONAL CHARTS. OUR AUTHORS ENJOY AN ENVIABLE REPUTATION FROM PARIS TO NEW YORK. IN SPITE OF THIS, I REGRET THAT THE FILM, BOOK AND SOUND-RECORDING INDUSTRIES ARE IN A PRECARIOUS SITUATION.

5.1 THE TOOLS REQUIRED

WE MUST CHANGE THAT. THEY MUST HAVE THE APPROPRIATE TOOLS AND, IN THIS REGARD, WE BEAR A FUNDAMENTAL RESPONSIBILITY. THE FILM AND BOOK PUBLISHING SECTORS ARE IMPORTANT INDUSTRIES BUT THEY ARE ALSO THE VOICE OF OUR CULTURE. TO PLAY THEIR PROPER ROLE AS THE MEANS OF DISSEMINATING AND SHARING OUR CULTURAL ASSETS, THEY MUST NOT ONLY BE VIABLE, THEY MUST BE AS DYNAMIC AS THE CULTURE THEY ARE EXPRESSING. THE QUESTION WE MUST ASK OURSELVES TODAY IS NOT WHETHER CANADIAN CULTURE HAS VITALITY BUT WHETHER THE INDUSTRIES THAT PROPAGATE IT CAN DO MORE THAN MERELY SURVIVE.

5.2 CANADIANS AS CONSUMERS

THE CULTURAL SECTOR HAS EXPERIENCED CONSIDERABLE GROWTH IN THE LAST DECADE AND ITS CONTRIBUTION TO THE GROSS NATIONAL PRODUCT IS TODAY IN THE ORDER OF 8 BILLION DOLLARS. ITS CONTRIBUTION TO OUR ECONOMY IS AS GREAT AS THOSE OF MINES AND METALS. IT IS THE SOURCE OF DIRECT EMPLOYMENT FOR SOME 280,000 CANADIANS, THAT IS, 2.3 PER CENT OF THE ACTIVE POPULATION.

THE VALUE OF THE BOOKS SOLD IN CANADA IN A SINGLE YEAR IS 1.2 BILLION DOLLARS. IN 1984, WE SPENT 405 MILLION DOLLARS ON MOVIE TICKETS AND SOME 580 MILLION DOLLARS FOR THE PURCHASE AND RENTAL OF VIDEOCASSETTES.

6. THE QUESTION

ON THE ONE HAND, WE, AS GOVERNMENTS, HAVE INVESTED BILLIONS OF DOLLARS IN THE PRODUCTION OF CULTURAL BOOKS. WE ARE ONE OF THE COUNTRIES THAT HAS THE GREATEST PER CAPITA INVESTMENT IN THIS FIELD. ON THE OTHER HAND, THE GROWTH AND THE IMPORTANCE OF THE CONSUMER MARKET INDICATED CLEARLY THAT THE DEMAND FOR THESE PRODUCTS IS STRONG. WE SHOULD THEN BE IN THE PLEASANT POSITION OF NOTING TODAY THAT WE POSSESS VIGOROUS FILM AND BOOK INDUSTRIES.

THIS IS UNFORTUNATELY NOT THE CASE. WE MUST, THEREFORE, RECOGNIZE THE EXISTENCE OF A STRUCTURAL PROBLEM THAT I DESCRIBED EARLIER: DISTRIBUTION. WE MUST FOCUS OUR ATTENTION ON THIS MISSING LINK.

7. THE PROGRESS ACHIEVED

IN ITS OWN AREAS OF JURISDICTION THE GOVERNMENT OF CANADA HAS ACTED. I AM ESPECIALLY PLEASED WITH THE PROVISIONS MADE IN THE BUDGET TABLED LAST WEDNESDAY BY MY COLLEAGUE THE MINISTER OF FINANCE, THE HONOURABLE MICHAEL WILSON. RECOGNIZING THE IMPORTANCE OF OUR CULTURAL SOVEREIGNTY AND THE INDUSTRIES THAT EXPRESS OUR UNIQUE IDENTITY, THE GOVERNMENT HAS ADDED 375 MILLION DOLLARS IN FUNDS AVAILABLE OVER 5 YEARS FOR THE IMPLEMENTATION OF EFFECTIVE MEASURES.

THUS, I EXPECT TO BE ABLE TO ESTABLISH FORMALLY IN THE NEAR FUTURE A FUND TO ENABLE US TO SUPPORT BOTH THE PRODUCTION AND DISTRIBUTION OF CANADIAN FEATURE FILMS. FUNDING HAS ALSO BEEN APPROVED TO SUPPORT CANADIAN PUBLISHING AND TO PAY OUR AUTHORS FOR THE USE OF THEIR WORKS BY PUBLIC LIBRARIES.

THE BUDGET HAS REAFFIRMED THE GOVERNMENT OF CANADA'S COMMITMENT TO THE CANADIAN CULTURAL SECTOR DESPITE A CLIMATE OF FINANCIAL RESTRAINT.

AT THE RECENT FRANCOPHONE SUMMIT IN PARIS, I ALSO BEGAN DISCUSSIONS TO SOLVE THE PROBLEM OF DUBBING. GIVEN THE FOREIGN DISTRIBUTION ORGANIZATION OF THE MAJOR FILM CORPORATIONS, FRENCH-SPEAKING CANADIANS FIND THEMSELVES IN THE INTOLERABLE SITUATION OF WAITING SEVERAL MONTHS BEFORE HAVING ACCESS TO FRENCH VERSIONS OF FILMS THAT ARE AVAILABLE IN OTHER COUNTRIES.

THE POLICY ON FOREIGN INVESTMENT IN THE PUBLISHING INDUSTRY ANNOUNCED LAST SUMMER IN BAIE-COMEAU IS ANOTHER STEP THE GOVERNMENT HAS TAKEN TO INCREASE CANADA'S SHARE IN THIS CRUCIAL AREA.

8. CONCLUSION

MUCH REMAINS TO BE DONE, HOWEVER, AND THAT IS WHY WE HAVE MET THERE TODAY. I THINK WE HAVE SET SOME COMMON GOALS; NOW WE MUST DEVELOP THE TOOLS NECESSARY TO ACHIEVE THEM. CULTURE IS AN ERA OF JOINT GOVERNMENT OF CANADA AND PROVINCIAL JURISDICTION. IT IS CLEAR THAT TO PURSUE ANY SIGNIFICANT STRENGTHENING OF THE FILM AND PUBLISHING INDUSTRIES, IT WILL BE ESSENTIAL FOR THE PROVINCES TO EXERCISE THEIR LEADERSHIP.

AS MAJOR CONSUMERS OF A NUMBER OF CULTURAL PRODUCTS INCLUDING BOOKS, MANUALS AND FILMS FOR USE IN SCHOOLS, LIBRARIES AND HEALTH CARE INSTITUTIONS, THE PROVINCES HAVE A MAJOR ROLE TO PLAY IN PROMOTING CULTURAL SOVEREIGNTY.

WE MUST CO-ORDINATE OUR ACTIVITIES. THE FEDERAL GOVERNMENT WILL CONTINUE TO SUPPORT CANADA'S PUBLISHING INDUSTRY AND WILL SEEK TO DEFINE THE TERMS AND CONDITIONS OF ITS NEW ASSISTANCE PROGRAM IN THIS SECTOR IN CONSULTATION WITH INTERESTED PROVINCIAL GOVERNMENTS SO AS TO ENSURE THAT PUBLIC FUNDING IS USED AS EFFECTIVELY AS POSSIBLE. THIS APPROACH CANNOT CHANGE THE BASIC SITUATION OF THE CANADIAN PUBLISHING INDUSTRY, HOWEVER, UNLESS IT IS ACCOMPANIED BY EQUALLY STRONG MEASURES BY OUR PROVINCIAL PARTNERS IN THEIR AREAS OF JURISDICTION.

IN THE FILM INDUSTRY, WE HAVE ALREADY SET UP A PRODUCTION SUPPORT FUND. WE HAVE OTHER PROPOSALS TO PUT FORWARD. HOWEVER, WE MUST DO SOMETHING ABOUT DISTRIBUTION, AN AREA WHERE THE PROVINCES HAVE A MAJOR ROLE TO PLAY. BECAUSE I HAVE THE DEEPEST RESPECT FOR PROVINCIAL JURISDICTION, IT IS ESSENTIAL TO CO-ORDINATE OUR ACTIVITIES TO ACHIEVE COMMON GOALS.

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WE HAVE AVOIDED DISCUSSING CULTURAL ISSUES FOR MANY YEARS FOR FEAR OF NOT BEING ABLE TO AGREE. ONE OF MY FIRST PRIORITIES IN THE FALL OF 1984 WAS TO REOPEN THIS DIALOGUE BETWEEN THE FEDERAL GOVERNMENT AND ITS PROVINCIAL PARTNERS. OUR DISCUSSIONS SINCE THEN HAVE BEEN VERY PRODUCTIVE, AND I WISH TO THANK AND CONGRATULATE ALL THOSE WHO HAVE SPARED NO EFFORT TO CREATE AND CULTIVATE THE CLIMATE OF CONFIDENCE THAT NOW ALLOWS US TO CONSIDER BOLD AND COURAGEOUS SOLUTIONS.

THANK YOU.

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CHECK AGAINST DELIVERY

NOTES FOR A STATEMENT BY
THE HONOURABLE FLORA MACDONALD
M.P. FOR KINGSTON AND THE ISLANDS
MINISTER OF COMMUNICATIONS
AT A
PRESS CONFERENCE ANNOUNCING THE
TABLING OF A BILL ON COPYRIGHT

OTTAWA, ONTARIO

MAY 27, 1987

THE COPYRIGHT ACT HAS A MAJOR IMPACT ON CANADA'S CULTURAL ACTIVITIES.

COPYRIGHT IS, OF COURSE, THE ENSHRINEMENT IN LAW OF THE ESSENTIAL RIGHT OF THE CREATOR TO CONTROL THE PRODUCTIONS OF HIS OR HER MIND, AND TO BE REWARDED FOR THEM.

GIVEN THE TECHNOLOGY OF TODAY'S INFORMATION SOCIETY THE PRESENT COPYRIGHT ACT, WHICH IS WELL OVER SIXTY YEARS OLD, COULD NO LONGER FURNISH THE NECESSARY PROTECTION OF THAT RIGHT.

THE BILL WE HAVE TABLED TODAY WILL STRENGTHEN AND STIMULATE THE CREATION OF CULTURAL PRODUCTS IN CANADA AND WILL, THEREFORE, ENHANCE OUR CULTURAL IDENTITY.

THE AMENDMENTS IN THE BILL WILL BE OF PARTICULAR BENEFIT TO OUR CULTURAL INDUSTRIES AND TO INDIVIDUAL CREATORS. I AM, THEREFORE PLEASED TO SUMMARIZE THE HIGHLIGHTS OF THESE AMENDMENTS. THERE ARE SIX MAJOR POINTS WHICH CONCERN CULTURE.

1) COLLECTIVES

FIRST, REGARDING CREATORS' COLLECTIVES:

COLLECTIVES ARE ORGANIZATIONS WHICH NEGOTIATE AND COLLECT ROYALTIES FOR CREATORS. USERS NEGOTIATE FOR THE USE OF CREATORS' WORKS THROUGH THESE ORGANIZATIONS.

THE COLLECTIVE EXERCISE OF COPYRIGHT HAS SEVERAL ADVANTAGES. FOR USERS, IT FACILITATES EASY ACCESS TO A GREAT NUMBER OF PROTECTED WORKS; FOR COPYRIGHT OWNERS, IT FACILITATES THE EXERCISE OF RIGHTS THAT WOULD BE ALMOST IMPOSSIBLE TO EXERCISE INDIVIDUALLY.

THE PRESENT BILL EXPLICITLY ENCOURAGES THE CREATION OF NEW TYPES OF COLLECTIVES IN ALL AREAS OF COPYRIGHT, IN ADDITION TO THE MUSIC COLLECTIVES NOW EXISTING. AN EXAMPLE OF SUCH NEW TYPES IS VIS-ART, A NON-PROFIT GROUP OF PAINTERS, PHOTOGRAPHERS AND SCULPTORS.

2) COPYRIGHT BOARD

SECOND, REGARDING THE COPYRIGHT APPEAL BOARD:

UNDER THE PRESENT ACT, ONLY MUSICAL PERFORMING RIGHTS ASSOCIATIONS ARE UNDER THE JURISDICTION OF THE COPYRIGHT APPEAL BOARD. THE REVISED ACT WILL EXTEND THE JURISDICTION OF A NEW BOARD TO INCLUDE ALL COLLECTIVES.

3) MORAL RIGHTS

THIRD, REGARDING MORAL RIGHTS:

A CREATOR HAS THE RIGHT TO RESTRAIN ANY DISTORTION,
MUTILATION OR OTHER MODIFICATION OF HIS WORK. THIS IS THE CREATOR'S
MORAL RIGHT.

THE PRESENT BILL EXPANDS MORAL RIGHTS. IT DEFINES THE
INFRINGEMENT OF MORAL RIGHTS AND SPECIFIES THAT MORAL RIGHTS ARE TO
BE PROTECTED AS STRICTLY AS ECONOMIC RIGHTS.

THUS IF RED RIBBONS ARE TIED AROUND THE NECKS OF SCULPTED
FIGURES, AS HAPPENED TO A WORK BY MICHAEL SNOW NOT LONG AGO, THE
ARTIST WILL NO LONGER HAVE TO SEEK SPECIAL LEGAL REDRESS, SINCE THE
NEW LAW WILL EXPAND THE ARTIST'S RIGHT TO PROTECT THE INTEGRITY OF
THE WORK.

4) PROTECTION OF CHOREOGRAPHIC WORKS

FOURTH, REGARDING CHOREOGRAPHIC WORKS:

AT PRESENT, CHOREOGRAPHIC WORKS ARE TREATED AS DRAMATIC WORKS, REQUIRING A PLOT OR, AT LEAST, A SEQUENCE OF ACTIONS. HOWEVER, SOME CHOREOGRAPHIC WORKS ARE SIMPLY VISUALLY AESTHETIC COMPOSITION, SUCH AS "GLASS HOUSES", A WORK BY TORONTO CHOREOGRAPHER CHRISTOPHER HOUSE.

THE BILL DEFINES NEW "CHOREOGRAPHIC WORKS" IN A WAY THAT REFLECTS THIS REALITY AND PROVIDES PROTECTION FOR THIS TYPE OF WORK.

5) ABOLITION OF COMPULSORY LICENCES FOR THE PROTECTION OF SOUND RECORDINGS

FIFTH, REGARDING COMPULSORY LICENCES:

UNDER THE PRESENT COMPULSORY LICENCE, A COMPANY OR INDIVIDUAL HAS THE RIGHT TO MAKE A SECOND RECORDING OF ANY MUSICAL WORK SIMPLY BY PAYING A STATUTORY ROYALTY TO THE COPYRIGHT OWNER ONCE A FIRST RECORDING HAS BEEN MADE.

THE STATUTORY ROYALTY OF 2 CENTS HAS BEEN IN EFFECT FOR MORE THAN 60 YEARS AND IS ONE OF THE LOWEST IN THE WORLD. BY ABOLISHING THE PRESENT COMPULSORY LICENCE, THE PRESENT BILL ENABLES COMPOSERS TO NEGOTIATE ROYALTY RATES FREELY WITH THE PRODUCERS OF SOUND RECORDINGS.

6) RIGHT TO EXHIBIT ARTISTIC WORKS IN PUBLIC

SIXTH, REGARDING EXHIBITION RIGHTS:

THE BILL INTRODUCES A NEW RIGHT: THE RIGHT OF EXHIBITION. THIS AMENDMENT ALLOWS ARTISTS TO BENEFIT FROM THE USE OF THEIR WORKS IN THE SAME MANNER AS OTHER CREATORS. ARTISTS WILL NOW HAVE A RIGHT OVER THE PUBLIC EXHIBITION OF THEIR WORK.

IN ADDITION TO THESE SIX POINTS, CULTURAL CREATORS WILL ALSO BENEFIT FROM THE EXTENDED PROTECTION OF COMPUTER PROGRAMS AND THE PROTECTION AGAINST PIRACY AFFORDED BY THE NEW LEGISLATION.

CONCLUSION

TODAY'S BILL DEALS WITH ONLY SOME OF THE ISSUES RELATED TO COPYRIGHT.

A SECOND BILL DEALING WITH OTHER COPYRIGHT ISSUES WILL BE TABLED IN THE HOUSE AS SOON AS POSSIBLE, PROBABLY BY NEXT FALL.

THESE ARE EXTREMELY COMPLEX AND DIFFICULT ISSUES. BUT THIS GOVERNMENT IS DETERMINED ONCE AND FOR ALL TO BRING COPYRIGHT INTO PLAY WITH THE NEW TECHNOLOGY WHILE ENSURING THE RIGHT OF CREATORS TO BE MATERIALLY COMPENSATED.

THIS WILL HELP FULFILL OUR NEED AS A COUNTRY FOR HEALTHY INSTRUMENTS OF SELF-EXPRESSION THAT EMBODY OUR CULTURAL IDENTITY.

IN THE MEANTIME, I AM CONVINCED THAT THE BILL WE ARE PRESENTING TODAY WILL BE ABLE TO MEET A NUMBER OF THE EXPECTATIONS OF VARIOUS INTERESTED PARTIES, AND THAT IT WILL CONTRIBUTE TO STRENGTHENING CANADA'S CULTURAL SECTOR.

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CHECK AGAINST DELIVERY

NOTES FOR A STATEMENT
AT A NEWS CONFERENCE BY
THE HONOURABLE FLORA MACDONALD
M.P. FOR KINGSTON AND THE ISLANDS
MINISTER OF COMMUNICATIONS
ON
THE TABLING IN THE HOUSE OF COMMONS
OF THE FILM PRODUCTS IMPORTATION BILL

OTTAWA, ONTARIO

JUNE 8, 1988

TODAY I TABLED IN THE HOUSE THE FILM PRODUCTS IMPORTATION BILL WHICH WILL REGULATE THE IMPORTATION OF FILM PRODUCTS AND CREATE A SEPARATE AND DISTINCT FILM DISTRIBUTION MARKET IN CANADA FOR THE FIRST TIME IN OUR HISTORY.

THIS BILL, AND THE OTHER MEASURES IN OUR NEW FILM POLICY, MARK A TURNING POINT IN THE HISTORY OF THE CANADIAN FILM INDUSTRY.

THIS BILL IS SIMPLE AND EFFECTIVE. CANADIANS WILL AT LAST BE ABLE TO BID FAIRLY FOR THE RIGHTS TO INDEPENDENT FILMS TO BE SHOWN IN THEIR OWN COUNTRY. THE BILL IS ALSO TOUGH, PROVIDING FOR FINES OF UP TO 200-THOUSAND DOLLARS A DAY FOR ANYONE WHO TRIES TO GET AROUND THE LAW.

WE ARE DOING WHAT NO GOVERNMENT HAS DONE IN THE LAST 50 YEARS: SETTING THE STAGE FOR A VIABLE, DYNAMIC, PROFITABLE CANADIAN FILM INDUSTRY.

WITHOUT A VIABLE INDUSTRY, CANADIANS WILL REMAIN DEPRIVED OF SEEING OUR STORIES, IMAGES, AND EXPERIENCES THROUGH FILM.

THE RECORD OF PREVIOUS GOVERNMENTS IN DEALING WITH THE DOMINATION OF OUR FILM DISTRIBUTION INDUSTRY BY A HANDFUL OF LARGE AMERICAN FIRMS IS A LONG AND SORRY STORY OF INACTION.

IN THE 1930s, A GOVERNMENT INQUIRY FOUND THERE WAS A MONOPOLY. PROSECUTION IN THE COURTS FAILED.

IN THE 1940s, THE MINISTER OF TRADE AND COMMERCE, C.D. HOWE, COULDN'T BREAK THE MONOPOLY, BUT SETTLED FOR A MODEST COMMITMENT BY THE MOTION PICTURE ASSOCIATION OF AMERICA TO INCLUDE SOME CANADIAN CONTENT IN U.S. FILMS. SOME FILMMAKERS MADE A FEW TOKEN GESTURES FOR A FEW YEARS, AND THEN STOPPED.

IN THE 1960s, LEGISLATION ESTABLISHED THE CANADIAN FILM DEVELOPMENT CORPORATION. BUT THERE WAS NO CHANGE IN THE FOREIGN DOMINATION OF FILM DISTRIBUTION IN CANADA.

IN THE 1970s, SECRETARY OF STATE HUGH FAULKNER TRIED NEGOTIATING VOLUNTARY QUOTA AGREEMENTS WITH THE TWO DOMINANT AMERICAN THEATRE CHAINS. EACH COMPANY WAS TO RUN ONE CANADIAN FILM, FOR ONE WEEK, EACH QUARTER. THE AMERICAN EXHIBITORS DROPPED THE PRACTICE SOON AFTER MAKING THE COMMITMENT.

LATER IN THE 1970s, IN AN EFFORT TO INCREASE THE DISTRIBUTION OF CANADIAN FILMS IN CANADA, SECRETARY OF STATE JOHN ROBERTS JOURNEYED TO HOLLYWOOD AND SOUGHT THE CO-OPERATION OF THE STUDIO HEADS AND THE PRESIDENT OF THE MOTION PICTURE ASSOCIATION OF AMERICA. THE DISTRIBUTORS TOOK NO ACTION OF ANY CONSEQUENCE.

IN THE 1980s, COMMUNICATIONS MINISTER FRANCIS FOX AGAIN TRIED TO NEGOTIATE WITH THE AMERICAN DISTRIBUTORS TO ACHIEVE GREATER ACCESS TO CANADIAN AUDIENCES FOR CANADIAN PRODUCERS. THE NEGOTIATIONS WERE ABANDONED WITH NO RESULTS.

FOR 50 YEARS, PREVIOUS GOVERNMENTS HAVE TALKED ABOUT THIS ISSUE, BUT HAVE DONE NOTHING.

THIS GOVERNMENT DOES NOT INTEND TO SETTLE FOR TALK. WE ARE TAKING CONCRETE ACTION.

FOR THE FIRST TIME, WE ARE CREATING, THROUGH LEGISLATION, A SEPARATE, FAIR, COMPETITIVE MARKET IN CANADA.

THE FILM DISTRIBUTION INDUSTRY IS IN THE BUSINESS OF PACKAGING AND MARKETING BLOCKS OF FILMS TO THEATRE OPERATORS. TO BE SUCCESSFUL, A DISTRIBUTOR GENERALLY HAS TO PUT TOGETHER A MIX OF ATTRACTIVE FILMS FROM DIFFERENT SOURCES.

TODAY, THE MAJOR AMERICAN DISTRIBUTORS CONTROL THOSE PACKAGES IN CANADA. THEY COMBINE FILMS FROM THEIR OWN STUDIOS WITH THE BEST OF THE INDEPENDENT PRODUCTIONS FOR WHICH THEY AUTOMATICALLY BUY THE CANADIAN RIGHTS AS PART OF THE NORTH AMERICAN RIGHTS.

THERE IS NO INCENTIVE FOR THE MAJORS TO INCLUDE CANADIAN FILMS IN THOSE PACKAGES. AND BECAUSE THE MAJORS ALMOST ALWAYS TAKE THE NORTH AMERICAN RIGHTS TO THE MOST PROFITABLE INDEPENDENT PRODUCTIONS LIKE CROCODILE DUNDEE AND PLATOON, CANADIAN DISTRIBUTORS CAN'T EASILY PUT TOGETHER PACKAGES THAT APPEAL TO THEATRE OPERATORS.

OUR NEW FILM POLICY WILL BREAK THAT STRANGLEHOLD BY GIVING CANADIAN DISTRIBUTORS A CHANCE TO BID FOR THE BEST INDEPENDENT PRODUCTIONS SO THAT THEY CAN PUT TOGETHER COMPETITIVE PACKAGES OF CANADIAN AND FOREIGN FILMS.

THIS BILL ALSO PROVIDES MEASURES TO DEAL WITH DISTRIBUTORS WHO HAVE INTEGRATED INTERESTS IN THE FILM EXHIBITION BUSINESS. THESE COMPANIES, WHICH CONTROL A LARGE NUMBER OF THEATRE SCREENS IN CANADA, COULD HAVE THE ABILITY TO UNFAIRLY PREVENT OTHER DISTRIBUTORS FROM ACQUIRING THE RIGHTS TO FILMS OR DISTRIBUTING THEM.

UNDER THIS LEGISLATION, THE GOVERNMENT WOULD BE ABLE TO DENY IMPORTATION OF A FILM PRODUCT BY SUCH INTEGRATED FIRMS IF THEIR ACTIVITIES WERE DEEMED TO BE UNFAIR BUSINESS PRACTICES IN THE CANADIAN DISTRIBUTION MARKET.

AN ADVISORY COMMITTEE, CHAIRED BY THE DIRECTOR OF INVESTIGATION AND RESEARCH OF THE BUREAU OF COMPETITION POLICY, MR. CALVIN GOLDMAN, WILL BE ESTABLISHED TO ADVISE ME REGARDING THE COMPLIANCE OF THE INDUSTRY WITH RESPECT TO THESE PROVISIONS OF THE BILL.

AS I SAID BEFORE, THIS IS EFFECTIVE LEGISLATION, AND IT IS TOUGH LEGISLATION.

THIS BILL PROVIDES PENALTIES OF UP TO 200-THOUSAND DOLLARS A DAY. AND SERIOUS OFFENDERS COULD BE DENIED AUTHORIZATION TO IMPORT FILMS INTO CANADA IN THE FUTURE. TO ADMINISTER AND ENFORCE THE NEW POLICY, WE WILL HAVE THE ASSISTANCE OF CANADA CUSTOMS, THE BUREAU OF COMPETITION POLICY, AND A NEW FILM PRODUCTS IMPORTATION OFFICE.

THE LEGISLATION IS ONE ESSENTIAL ELEMENT OF THE FILM POLICY WHICH I ANNOUNCED ON MAY 5.

ANOTHER IS THE NEW FILM DISTRIBUTION FUND OF 85-MILLION DOLLARS OVER FIVE YEARS.

THE FUND WILL ENSURE THAT CANADIAN DISTRIBUTORS HAVE MORE RESOURCES TO INVEST IN, PROMOTE AND DISTRIBUTE CANADIAN FILMS; AND IT WILL MAKE THEM MORE COMPETITIVE IN ACQUIRING RIGHTS TO FOREIGN FILMS TO PACKAGE WITH THEIR CANADIAN PRODUCTIONS.

THE THIRD ESSENTIAL ELEMENT IS THE NEW INVESTMENT CANADA POLICY ON FILM. UNDER THIS POLICY:

- FOREIGN TAKEOVERS OF CANADIAN-OWNED AND -CONTROLLED DISTRIBUTION BUSINESSES WILL NOT BE ALLOWED.
- NEW FOREIGN FILM AND VIDEO DISTRIBUTION BUSINESSES IN CANADA WILL BE RESTRICTED TO DISTRIBUTING PROPRIETARY PRODUCTS ONLY.
- TAKEOVERS OF FOREIGN DISTRIBUTION BUSINESSES OPERATING IN CANADA WILL BE REVIEWED FOR THEIR CONTRIBUTION TO THE GOVERNMENT'S OVERALL FILM POLICY GOALS.

THIS NEW POLICY APPLIES TO ALL APPLICATIONS TO INVESTMENT CANADA MADE AFTER MY STATEMENT OF FEBRUARY 1987. IT IS FAIR TO THOSE FOREIGN-CONTROLLED BUSINESSES ALREADY OPERATING IN CANADA, BUT GIVES THE GOVERNMENT THE POWER TO PREVENT UNWANTED NEW ENTRANTS AND TO INCREASE CANADIAN CONTROL OVER TIME. THIS WILL BE PARTICULARLY IMPORTANT IN ENSURING THAT CANADIAN CULTURAL OBJECTIVES ARE MET IN NEW INDUSTRIES SUCH AS THE VIDEO DISTRIBUTION BUSINESS.

THE FOURTH ELEMENT IS AN ADDITIONAL 115-MILLION DOLLARS OVER FIVE YEARS TO ASSIST THE CANADIAN FILM INDUSTRY TO ADJUST TO THE CHANGING INVESTMENT CLIMATE FOR THE FILM INDUSTRY.

THE GOVERNMENT RECOGNIZES THAT THERE IS A NEED FOR FILMS THAT REFLECT UNIQUELY CANADIAN CULTURAL, REGIONAL AND LINGUISTIC EXPERIENCES. SUCH FILMS MAY NOT BE AS IMMEDIATELY ATTRACTIVE TO INVESTORS. THIS NEW FUND WILL ENSURE THAT THOSE FILMS THAT ARE IMPORTANT TO CANADA CAN STILL BE MADE BY CANADIANS.

THERE IS A BIG MARKET IN CANADA FOR FILMS AND VIDEOS -- CANADIANS ARE SPENDING 20 MILLION DOLLARS A WEEK. IT IS ONE OF THE MOST PROFITABLE MARKETS IN THE WORLD.

THE INVESTMENT WE ARE MAKING NOW IN THE FUTURE OF CANADIAN FILM, AND THE NEW RULES THAT HELP MAKE IT A FAIR MARKET, WILL HAVE A MULTIPLIER EFFECT. INITIAL GOVERNMENT SEED MONEY, ALONG WITH PRIVATE INVESTMENT, AND NEW REVENUES OF CANADIAN DISTRIBUTORS WILL CREATE A POTENT SOURCE OF FUNDING.

WE WILL BE PRODUCING -- AND SEEING -- MORE CANADIAN FILMS, BETTER CANADIAN FILMS, ON CANADIAN SCREENS.

THE BILL ON IMPORTATION OF FILM PRODUCTS IS PART OF A NEW SCRIPT FOR FILM IN CANADA -- A SCRIPT WHICH THIS GOVERNMENT IS WRITING AFTER 50 YEARS OF NO ACTION.

JUST AS PREVIOUS GOVERNMENTS DID NOTHING BUT TALK ABOUT COPYRIGHT FOR MORE THAN 50 YEARS, SO THEY DID NOTHING BUT TALK ABOUT FILM DISTRIBUTION.

THIS GOVERNMENT HAS ACTED ON COPYRIGHT, AND WE ARE TAKING ACTION ON FILM NOW.

THE CREATIVE COMMUNITY SUPPORTED US IN THE BATTLE FOR COPYRIGHT REFORM. THE FILM COMMUNITY IS SUPPORTING US IN THIS INITIATIVE ON FILM.

THEY KNOW THAT THEY CAN AND WILL DELIVER THE FILMS OF QUALITY THAT CANADIANS DESERVE FROM OUR SIGNIFICANT INVESTMENT. THE WORK OF THE LAST FEW YEARS IN FEATURE FILMS SHOWS WE ARE ON SOLID CREATIVE GROUND.

I AM CONFIDENT THAT CANADIANS WILL WELCOME AND SUPPORT OUR ACTION IN HELPING TO CREATE AN EXCELLENT FUTURE FOR FILM IN CANADA.

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CHECK AGAINST DELIVERY

NOTES FOR A STATEMENT BY
THE HONOURABLE FLORA MACDONALD
M.P. FOR KINGSTON AND THE ISLANDS
MINISTER OF COMMUNICATIONS
AT A
NEWS CONFERENCE TO ANNOUNCE
A NEW BROADCAST POLICY AND LEGISLATION

OTTAWA, ONTARIO

JUNE 23, 1988

GOOD MORNING, LADIES AND GENTLEMEN.

TODAY I TABLED IN THE HOUSE OF COMMONS A SERIES OF DOCUMENTS THAT WILL CARRY CANADIAN BROADCASTING INTO THE TWENTY-FIRST CENTURY.

THEY INCLUDE THE GOVERNMENT'S RESPONSE TO THE FIFTH, SIXTH AND FIFTEENTH REPORTS OF THE STANDING COMMITTEE ON CULTURE AND COMMUNICATIONS; NEW LEGISLATION TO REPLACE THE 1968 BROADCASTING ACT; AND CANADIAN VOICES: CANADIAN CHOICES, OUR NEW BROADCASTING POLICY FOR CANADA.

THE GOAL IS MORE AND BETTER CANADIAN PROGRAMMING. THE GOVERNMENT WILL PROVIDE MORE THAN \$250 MILLION OVER THE NEXT FOUR YEARS TO HELP MEET THAT GOAL.

WE LAUNCHED THIS FUNDAMENTAL REVIEW OF BROADCASTING BECAUSE CANADA HAS GROWN AND MATURED SINCE THE 1968 BROADCASTING ACT WAS PASSED.

OUR SOCIETY HAS BECOME MORE DIVERSE AND DEMANDING. CANADIANS IN ALL REGIONS WANT MORE CHOICE IN BOTH THE FORM AND CONTENT OF BROADCASTING SERVICES.

OUR NEW POLICY WILL ENSURE THAT CANADIANS HAVE REAL CHOICES THAT REFLECT THE CHANGING ASPIRATIONS OF OUR POPULATION. ABOVE ALL, THEY WILL BE CANADIAN CHOICES IN ALL PROGRAM CATEGORIES.

THOSE ASPIRATIONS WERE VOICED ELOQUENTLY BY THE THOUSANDS OF CANADIANS WHO PARTICIPATED IN THE HEARINGS OF THE CAPLAN-SAUVAGEAU TASK FORCE AND THE STANDING COMMITTEE.

THE TASK FORCE AND THE STANDING COMMITTEE HAVE MADE INVALUABLE CONTRIBUTIONS TO THE DEVELOPMENT OF OUR BROADCASTING POLICY. THEIR ADVICE HAS BEEN GREATLY APPRECIATED AND MOST OF THEIR RECOMMENDATIONS HAVE BEEN ACCEPTED.

THOSE HEARINGS SHOWED THAT CANADIANS ARE CONCERNED ABOUT THE ROLE OF BROADCASTING IN OUR SOCIETY. AS THE GLOBAL TRAFFIC IN IDEAS AND CULTURE ACCELERATES AND BECOMES MORE INTENSE THROUGH NEW TECHNOLOGIES AND INCREASED TRADE, THE GOVERNMENT BELIEVES IT IS MORE IMPORTANT THAN EVER THAT CANADIAN VOICES BE HEARD.

OUR REVIEW HAS BEEN BOTH THOROUGH AND PROFOUND. WE STARTED WITH THE LEGISLATION, THE UNDERLYING FRAMEWORK OF THE CANADIAN BROADCASTING SYSTEM. ITS PROVISIONS AND DEFINITIONS HAVE BEEN UPDATED TO TAKE ACCOUNT OF CHANGING TECHNOLOGIES, SO AS TO ENSURE IT IS LEGALLY EFFECTIVE.

THE CENTRAL ISSUE, AS I HAVE SAID SINCE WE FIRST RECEIVED THE CAPLAN-SAUVAGEAU REPORT, IS PROGRAMMING. THE PRIORITY MUST BE PRIME-TIME CANADIAN DRAMA. IT NEEDS THE ATTENTION AND RESOURCES FOR SOUND DEVELOPMENT. EXPERIENCE HAS SHOWN THAT THERE IS NO QUESTION THAT CANADIANS WANT MORE AND BETTER CANADIAN PROGRAMMING.

WE WANT PRIVATE BROADCASTERS TO PUT MORE CANADIAN PROGRAMS ON THE AIR, ESPECIALLY DRAMA. THE LEGISLATION GIVES THE CRTC THE POWER TO IMPLEMENT AN INCENTIVE PROGRAM TO ENCOURAGE BROADCASTERS TO GO BEYOND THEIR CURRENT CANADIAN-CONTENT QUOTAS. THE CRTC COULD SET PERFORMANCE TARGETS IN CATEGORIES SUCH AS PRIME-TIME DRAMA AND RELATE THOSE TARGETS TO THE BROADCASTER'S LICENCE FEE.

IF THE BROADCASTER MET THOSE TARGETS, A PORTION OF THE FEE WOULD BE EXCUSED. IF NOT, IT WOULD BE COLLECTED AND MADE AVAILABLE FOR USE BY OTHER BROADCASTERS WHO DID INCREASE THEIR PRIME-TIME TARGETS. THIS COULD LEVER MILLIONS OF DOLLARS INTO CANADIAN PRODUCTION IN ADDITION TO THE INCREASED GOVERNMENT CONTRIBUTIONS FOR THE PRODUCTION OF CANADIAN FILM AND TELEVISION PROGRAMMING.

WE ARE ALSO COMMITTED TO HELP FUND THE CREATION AND OPERATION OF A NEW, NATION-WIDE ALTERNATIVE PROGRAMMING SERVICE TO PROVIDE THE KINDS OF PROGRAMMING THAT DO NOT APPEAR OFTEN ENOUGH ON CONVENTIONAL TELEVISION. PROGRAMS FROM THE REGIONS, PROGRAMMING WITH A MULTICULTURAL DIMENSION, AND THE PERFORMING ARTS WILL BE PART OF THIS SERVICE'S SPECIAL VOCATION, WHICH IS ANCHORED IN LEGISLATION.

LET ME TURN TO THE CBC. THE GOVERNMENT IS CONFIRMING WITHOUT HESITATION ITS SUPPORT FOR THE CANADIAN BROADCASTING CORPORATION AS THE PRINCIPAL VEHICLE FOR CULTURAL EXPRESSION IN CANADA. WE WILL INCREASE ITS BUDGET BY \$20 MILLION A YEAR TO RAISE CANADIAN-CONTENT LEVELS ON THE ENGLISH-TELEVISION SERVICE TO 95 PER CENT. WE ALSO SEE A NEED TO INCREASE PRODUCTION BUDGETS FOR FRANCOPHONE PROGRAMMING, AND WILL PROVIDE \$15 MILLION A YEAR FOR THIS.

THE NEW LEGISLATION WILL STRENGTHEN THE CBC'S MANAGEMENT STRUCTURE AND FINANCIAL ACCOUNTABILITY TO PARLIAMENT, AS RECOMMENDED BY THE ALL-PARTY COMMONS STANDING COMMITTEE. THE ARMS-LENGTH PRINCIPLE WILL BE PROTECTED, AND THE JOURNALISTIC AND ARTISTIC FREEDOMS OF THE CBC WILL BE ENSHRINED IN LAW.

THE LEGISLATION RECOGNIZES FOR THE FIRST TIME THE FUNDAMENTAL DIFFERENCES BETWEEN THE FRENCH- AND ENGLISH-LANGUAGE BROADCASTING ENVIRONMENTS. THIS WILL BE THE GUIDING PRINCIPLE FOR THE FUTURE DEVELOPMENT OF BROADCASTING IN CANADA.

THE CRTC WILL BE EXPECTED TO GIVE SPECIAL CONSIDERATION TO THE UNIQUE NEEDS OF THE FRANCOPHONE MARKET IN ITS HEARINGS AND DECISIONS. FOR ITS PART, THE GOVERNMENT IS INTRODUCING SPECIAL SUPPORT PROGRAMS TOTALLING MORE THAN \$110 MILLION TO IMPROVE THE QUALITY OF FRANCOPHONE PROGRAMS.

I WANT THIS LEGISLATION TO STRENGTHEN THE CBC SO THAT IT CAN FULFILL ITS MANDATE AS THE PRIMARY VEHICLE FOR CANADIAN CULTURAL EXPRESSION. AND THAT IS WHY IT WILL AFFIRM FOR THE FIRST TIME IN LEGISLATION THE JOURNALISTIC AND ARTISTIC FREEDOMS OF THE CORPORATION.

THE CRTC ALSO WILL BE MADE MORE EFFECTIVE UNDER THE NEW LAW. NEW LEGAL POWERS AND HIGHER FINES WILL BE AVAILABLE TO ENFORCE ITS DECISIONS.

AND CANADIANS LIVING IN SMALLER COMMUNITIES, NATIVES IN NORTHERN CANADA, AND THE DISABLED WILL BENEFIT FROM THIS POLICY. WE WILL SPEND MORE THAN \$31 MILLION TO IMPROVE THE DISTRIBUTION OF NEW BROADCASTING SERVICES TO THESE GROUPS.

WOMEN, NATIVE CANADIANS, VISIBLE MINORITIES AND THE DISABLED WILL BENEFIT FROM THIS LAW. THEY WILL BE REPRESENTED MORE EQUITABLY NOT ONLY IN PROGRAMMING, BUT BEHIND THE SCENES AS WELL, IN BROADCASTING COMPANIES' OPERATIONS.

OUR POLICY AND LEGISLATION REPRESENT A COMPREHENSIVE AND FUNDAMENTAL REDRAFTING OF THE BLUEPRINT FOR BROADCASTING IN CANADA. SOME CHANGES WILL BE ALMOST IMMEDIATE. OTHERS, SUCH AS THE ALTERNATIVE PROGRAMMING SERVICE AND THE INCENTIVE PROGRAM, MAY TAKE A YEAR OR TWO TO COME INTO EFFECT.

THE MOST IMPORTANT CHANGES WILL BE FELT PARTICULARLY OVER THE LONGER TERM. THE NEW OBJECTIVES IN THE LEGISLATION WILL SLOWLY BUT SURELY TRANSFORM THE CHARACTER OF TELEVISION PROGRAMMING, MAKING IT MORE RESPONSIVE TO ALL SEGMENTS OF SOCIETY.

EQUALLY IMPORTANT IS THE FACT THAT THE LEGISLATION IS "TECHNOLOGY NEUTRAL." BROADCASTERS AND CONSUMERS WILL HAVE MORE CHOICE IN THE DELIVERY SYSTEMS OF THE FUTURE, SUCH AS HIGH-DEFINITION TELEVISION, DIGITAL TRANSMISSION, MULTI-POINT MICROWAVE DISTRIBUTION SYSTEMS, PAY-PER-VIEW TELEVISION AND SO ON.

THIS GOVERNMENT BELIEVES IN MORE CHOICES IN BROADCASTING. OUR APPROACH HAS BEEN TO EXPAND THAT CHOICE, WHILE ENSURING THAT THERE ARE MORE CANADIAN VOICES ON THE DIAL.

THE POLICY AND LEGISLATION YOU HAVE BEFORE YOU TODAY PROVIDE NEW TOOLS AND RESOURCES TO HELP BROADCASTERS PRODUCE MORE AND BETTER CANADIAN PROGRAMMING. WE BELIEVE ALL CANADIANS WILL BE BETTER SERVED, AND CANADA WILL BE A STRONGER NATION AS A RESULT.

THANK YOU.

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"THIS SOCIETY CONSTITUTES A UNIVERSE
UNTO ITSELF, WITH ITS DIVISIONS,
DISTRIBUTIONS, HIERARCHIES AND
LAWS — A UNIVERSE THAT GENERATES
WORKS IN WHICH IT IS REFLECTED AND
WHICH INFLUENCE ITS DEVELOPMENT."
[TRANSLATION]

CLAUDE LÉVI-STRAUSS

NOTES FOR A SPEECH
BY THE HONOURABLE MARCEL MASSE
M.P. FOR FRONTENAC
MINISTER OF COMMUNICATIONS
AT THE 1989 CONGRESS OF THE
SOCIÉTÉ DES MUSÉES QUÉBÉCOIS
AND THE CANADIAN MUSEUMS ASSOCIATION
IN CO-OPERATION WITH
THE CANADIAN MUSEUM OF CIVILIZATION

HULL, QUEBEC
JUNE 8, 1989

CHECK AGAINST DELIVERY

INTRODUCTION

THE FACT THAT THESE TWO GROUPS, THE CANADIAN MUSEUMS ASSOCIATION AND THE SOCIÉTÉ DES MUSÉES QUÉBÉCOIS, ARE HERE IN HULL TO DISCUSS CO-OPERATION BEARS WITNESS TO THE SPIRIT THAT PREVAILS IN YOUR SECTOR.

SINCE AGAIN BEING NAMED MINISTER OF COMMUNICATIONS IN FEBRUARY OF THIS YEAR, I HAVE ALREADY HAD THE OPPORTUNITY TO VISIT MANY MUSEUMS INCLUDING THE ART GALLERY OF NOVA SCOTIA, THE MONCTON MUSEUM, LE MUSÉE ACADIEN DE L'UNIVERSITÉ DE MONCTON, LE MUSÉE DES BEAUX-ARTS DE MONTRÉAL, THE VANCOUVER ART GALLERY, THE ART GALLERY OF ONTARIO, THE GLENBOW MUSEUM AND THE TYRELL MUSEUM, THE ROYAL ONTARIO MUSEUM. I HAVE MET WITH THE CMA EXECUTIVE, LE RASSEMBLEMENT DES DIRECTEURS DE MUSÉES DE MONTRÉAL, REPRESENTATIVES OF SOME OF YOUR PROVINCIAL MUSEUM ASSOCIATIONS AS WELL AS MANY MUSEUM PROFESSIONALS ON AN INDIVIDUAL BASIS.

I HAVE SEEN THE CONTINUING THRONGS OF CHILDREN AND ADULTS AT OUR MUSEUMS. I HAVE SEEN THEIR FACES AND HEARD THEIR ENERGETIC AND ENTHUSIASTIC REACTIONS TO WHAT YOU, THE CONSERVATORS, THE CURATORS, THE MUSEUM DIRECTORS AND ALL OF THE OTHER MEMBERS OF YOUR MUSEUM STAFFS, INCLUDING VOLUNTEERS, HAVE CREATED AND PRESERVED TO EDUCATE AND ASTONISH US.

TODAY, I SHOULD LIKE TO SHARE MY VIEWS ON CANADA'S MUSEUMS, DISCUSS THE STRONG POINTS ON WHICH WE CAN BUILD, THE PROBLEMS WE HAVE TO SOLVE AND THE OPPORTUNITIES WE SHOULD SEIZE.

I THINK IT IS TIME FOR THE GOVERNMENT OF CANADA TO DEFINE ITS ROLE MORE CLEARLY. I WILL CLOSE BY EXPLAINING THE APPROACH WE HAVE CHOSEN TO FINALIZE OUR MUSEUM POLICY.

BACKGROUND

SINCE THE CREATION OF THE MUSEUM OF ALEXANDRIA, 290 YEARS BEFORE THE BIRTH OF CHRIST, MUSEUMS HAVE GUARDED HUMANITY'S HERITAGE.

THE MUSEUMS ARE A POINT OF REFERENCE FOR OUR SOCIETY, WHICH, AS CLAUDE LÉVI-STRAUSS SAID, IS ITSELF A UNIVERSE, WITH ITS OWN DIVISIONS, DISTRIBUTIONS, HIERARCHIES AND LAWS, A UNIVERSE THAT GENERATES WORKS IN WHICH IT IS REFLECTED AND WHICH INFLUENCE ITS DEVELOPMENT.

THE NATIONAL MUSEUMS ORIGINATED FROM THE GEOLOGICAL SURVEY WHICH WAS ESTABLISHED IN MONTREAL IN 1842. BETWEEN THAT YEAR AND 1938 OVER 150 MUSEUMS DEVELOPED IN VARIOUS PARTS OF CANADA. BY 1964 THEY HAD GROWN TO 385 AND TO OVER 1000 TODAY THROUGHOUT CANADA, RANGING FROM THE PRINCE OF WALES NORTHERN HERITAGE CENTRE IN YELLOWKNIFE TO THE ART GALLERY OF WINDSOR, AND FROM THE NEWFOUNDLAND MUSEUM IN ST. JOHN'S TO THE U'MISTA CULTURAL CENTRE IN ALERT BAY. NOT ONLY HAS THE NUMBER OF MUSEUMS GROWN, BUT THE SCALE AND QUALITY OF CANADIAN MUSEUMS AND THE EXPERIENCE OFFERED BY THEM HAS PLACED US IN A LEADERSHIP POSITION IN AREAS SUCH AS CONSERVATION AND MUSEUM INFORMATION MANAGEMENT AND DOCUMENTATION.

CANADIAN MUSEUM PROFESSIONALS ARE RESPECTED AND HELD IN HIGH ESTEEM NOT ONLY WITHIN CANADA BUT THROUGHOUT THE WORLD.

THEY HAVE PLAYED AN IMPORTANT ROLE IN THE DEVELOPMENT OF THEIR OWN INSTITUTIONS AND ALSO CONTRIBUTED TO FORGING IMPORTANT LINKS WITH THE INTERNATIONAL MUSEUM COMMUNITY. I AM THINKING OF, AMONG OTHERS, DUNCAN CAMERON, PIERRE THÉBERGE, MICHAEL AMES, LOUIS LEMIEUX AND JEAN SUTHERLAND BOGGS.

OVER THE YEARS IN CANADA, MUSEUM DEVELOPMENT HAS BEEN PROFOUNDLY AFFECTED BY MAJOR INITIATIVES. THE ESTABLISHMENT OF THE NATIONAL MUSEUM CORPORATION IN 1968 AND THE ESTABLISHMENT DURING THE EARLY 1970'S OF THE NATIONAL PROGRAMS ADMINISTERED BY THE NATIONAL MUSEUMS CORPORATION, WERE THE MOST SIGNIFICANT. THE HONOURABLE GÉRARD PELLETIER WAS A MAN OF CONSIDERABLE VISION AND A CANADIAN WHO UNDERSTOOD AND CARED ABOUT MUSEUMS.

THE 1972 POLICY OF DEMOCRATIZATION AND DECENTRALIZATION AND THE PROGRAMS ESTABLISHED TO IMPLEMENT THIS POLICY HAVE GIVEN CANADA AN ENORMOUS MUSEUM LEGACY.

AS CLEAR AS A PROGRAM OR POLICY MAY BE, IT CANNOT ALWAYS RESPOND TO DEMANDS GENERATED BY NEW DEVELOPMENTS. THAT IS WHY WE MUST REVIEW EXISTING PROGRAMS AND POLICIES TO ENSURE THEY REFLECT THE MODERN REALITY. I SAW THIS NEED IN 1984, WHEN I WAS APPOINTED MINISTER OF COMMUNICATIONS. IT WAS THEN OBVIOUS -- AND I WAS NOT ALONE IN THINKING THIS -- THAT WE HAD TO REVIEW THE RESPONSIBILITIES, ACTIVITIES AND EVEN THE EXISTENCE OF THE NATIONAL MUSEUMS OF CANADA CORPORATION.

THE FOUR NEW MUSEUM CROWN CORPORATIONS

THE WITHROW-RICHARD TASK FORCE WHICH I ESTABLISHED IN JANUARY 1986, MADE THE POINT EMPHATICALLY IN ITS REPORT TO THE GOVERNMENT, CONFIRMING THE NEED FOR CHANGE. IT PROVIDES A GOOD STARTING POINT WHICH HAS INSPIRED OUR THINKING SINCE IT WAS RECEIVED.

THE WITHROW-RICHARD TASK FORCE CALLED FOR GREATER AUTONOMY FOR FEDERAL MUSEUMS, AND THAT IS WHAT THE BILL THAT I PRESENTED TO THE HOUSE ON MAY 3 WILL ESTABLISH. THE PROPOSED LEGISLATION DISSOLVES THE NATIONAL MUSEUMS OF CANADA CORPORATION AND CREATES FOUR INDEPENDENT CROWN CORPORATIONS -- NAMELY, THE NATIONAL GALLERY OF CANADA, WHICH INCLUDES THE CANADIAN MUSEUM OF CONTEMPORARY PHOTOGRAPHY, THE CANADIAN MUSEUM OF CIVILIZATION, WHICH INCLUDES THE CANADIAN WAR MUSEUM, THE CANADIAN MUSEUM OF NATURE, AND THE NATIONAL MUSEUM OF SCIENCE AND TECHNOLOGY AND ITS NATIONAL AVIATION MUSEUM. THE THEMATIC COMPONENT AND BETTER USE OF THEIR RESOURCES WILL BE REGULARLY EVALUATED.

THE DIRECTOR OF A FEDERAL MUSEUM WILL HENCEFORTH BE APPOINTED BY THE BOARD OF TRUSTEES, WITH THE APPROVAL OF THE GOVERNOR IN COUNCIL. THE BOARDS OF TRUSTEES MEMBERSHIP WILL BE SUBMITTED TO CABINET BY THE MINISTER OF COMMUNICATIONS, AND IT IS THE MINISTER WHO WILL BE RESPONSIBLE FOR THE NEW MUSEUM CROWN CORPORATIONS BEFORE THE PARLIAMENT OF CANADA.

UNDER THE RESPONSIBILITY OF THE MINISTER, THE ACT WILL GIVE THE FEDERAL MUSEUMS THE POWER TO ESTABLISH, MAINTAIN, STUDY AND MAKE KNOWN THEIR COLLECTIONS AND TO REACH COMMUNITIES AND MUSEUMS THROUGH EXHIBITIONS AND TECHNICAL SERVICES, RESEARCH AND PROFESSIONAL DEVELOPMENT. THESE MUSEUMS WILL BECOME DYNAMIC TOOLS WHICH CONTRIBUTE TO THE COLLECTIVE MEMORY AND THE SENSE OF BELONGING OF ALL CANADIANS; THEY WILL PLAY AN ESSENTIAL ROLE IN PRESERVING AND PROMOTING OUR HERITAGE.

SECTION 3 OF THE BILL SETS OUT THE SPECIFIC RESPONSIBILITIES OF THE NEW MUSEUM CORPORATIONS IN A CANADIAN CONTEXT. THIS MEANS THAT THE RESPONSIBILITIES OF THESE CORPORATIONS WILL EXTEND BEYOND THE GEOGRAPHICAL LIMITS OF THE NATIONAL CAPITAL REGION. THE GOVERNMENT HAS ALSO PROVIDED ITS MUSEUMS WITH NEW MEANS OF

FINANCING INVOLVING NON-GOVERNMENTAL OPERATING REVENUE WHICH WILL HELP THEM TO CONTINUE THEIR DEVELOPMENT AND IMPROVE THEIR OUTREACH ACTIVITIES THROUGH EXHIBITIONS AND THE SHARING OF COLLECTIONS.

MUSEUM DEVELOPMENT SINCE 1972

BETWEEN 1972 AND 1986 CANADA'S MUSEUMS HAD MOVED FROM HAVING ANNUAL OPERATING EXPENDITURES OF \$50 MILLION TO MORE THAN \$250 MILLION; THEIR ECONOMIC IMPACT HAD GROWN TO BE IN THE ORDER OF \$600 MILLION; FUNDING FROM NON-FEDERAL SOURCES HAD GROWN FROM \$30 MILLION TO \$200 MILLION; OUR ASSETS (MUSEUMS, BUILDINGS, PROPERTIES AND COLLECTIONS) HAD BECOME A \$100 BILLION INVESTMENT; CONSERVATORS IN CANADA HAD GROWN FROM 12 TO 300 AND FINALLY, BY 1986, SOME 20 MILLION VISITS WERE BEING MADE TO CANADIAN MUSEUMS. THE MAJOR FEDERAL MUSEUMS HAD ALSO DEVELOPED AND MATURED TO A LEVEL COMPARABLE TO THE MAJOR MUSEUMS OF OTHER COUNTRIES.

BUT THERE ARE FUNDAMENTAL NEEDS WITHIN THE MUSEUM COMMUNITY THAT ARE NOT BEING MET AS WELL AS THEY COULD WITHIN THE EXISTING PROGRAMS. THE ROLE OF THE GOVERNMENT OF CANADA AND OTHER LEVELS OF GOVERNMENT ARE NOT CLEAR ENOUGH. IT IS IMPERATIVE THAT CANADA HAS AN UPDATED, COHERENT AND COMPREHENSIVE MUSEUM POLICY TO PURSUE BETTER THE SUCCESS STORY THAT YOU ALL REPRESENT.

STRENGTHS, WEAKNESSES AND POSSIBILITIES

THE GOVERNMENT IN ITS RESPONSE TO THE STANDING COMMITTEE REPORT RESPECTING THE WITHROW-RICHARD TASK FORCE INDICATED ITS INTENTION TO REVISE FEDERAL MUSEUM POLICY IN CONSULTATION WITH INTERESTED PARTIES. THE POLICY REVIEW WAS UNDERTAKEN TO ASSIST THE GOVERNMENT IN REVISING ITS POLICIES AND PROGRAMS TO HELP CANADA'S MUSEUMS MEET THE CHALLENGE OF THE TWENTY-FIRST CENTURY.

WE MUST TAKE INTO ACCOUNT THE STRENGTHS, WEAKNESSES AND POSSIBILITIES WITH RESPECT TO KEY ELEMENTS SUCH AS COLLECTIONS DEVELOPMENT, CONSERVATION, INFORMATION AND DOCUMENTATION, PROFESSIONALISM, FACILITIES, EXHIBITIONS AND PUBLIC PROGRAMS, AS WELL AS DEVELOPMENT OF NATIVE MUSEUMS.

COLLECTIONS DEVELOPMENT

THE DEVELOPMENT AND MANAGEMENT OF HERITAGE COLLECTIONS ARE THE ESSENCE OF MUSEUMS. IN THIS REGARD, THE MINISTER OF COMMUNICATIONS IS RESPONSIBLE FOR THE ADMINISTRATION OF THE CULTURAL PROPERTY EXPORT AND IMPORT ACT WHICH CONTROLS THE EXPORT OF CULTURAL PROPERTY FROM CANADA, PROVIDES GRANTS FOR THE REPATRIATION OF OBJECTS OF CANADIAN INTEREST WHICH ARE LOCATED ABROAD AND ALLOWS FOR GENEROUS TAX BENEFITS FOR DONATIONS TO MUSEUMS.

THROUGH THIS LEGISLATION, CANADA WAS ABLE TO JOIN AS AN ACTIVE PARTNER THE INTERNATIONAL MOVEMENT TO PROTECT CULTURAL PROPERTY. CANADA IS NOW A MAJOR WORLD LEADER IN THIS REGARD. AS THE FIRST "IMPORTER/EXPORTER" COUNTRY TO SIGN THE 1970 UNESCO CONVENTION ON THE MEANS OF PROHIBITING AND PREVENTING THE ILLICIT IMPORT, EXPORT AND TRANSFER OF OWNERSHIP OF CULTURAL PROPERTY, CANADA HAS SET AN EXAMPLE FOR OTHER ART-RICH COUNTRIES, AND INDEED OUR LEGISLATION HAS SERVED AS A MODEL FOR COUNTRIES WHICH ARE CONTEMPLATING RATIFYING THE UNESCO CONVENTION.

OF ALL THE FEDERAL GOVERNMENT PROGRAMS PROVIDING ASSISTANCE TO MUSEUMS, ONLY THE MOVABLE CULTURAL PROPERTY PROGRAM PROVIDES SUPPORT FOR ACQUISITIONS. SINCE 1977, OBJECTS VALUED AT OVER TWO HUNDRED AND THIRTY FIVE MILLION DOLLARS WERE DONATED OR SOLD TO CANADIAN MUSEUMS THROUGH THIS PROGRAM. I ENCOURAGE YOU TO CONTINUE TO USE THE TAX PROVISIONS WHICH THE MOVABLE CULTURAL PROPERTY PROGRAM OFFERS AS A MEANS TO ENRICH YOUR COLLECTIONS AND MAKE OBJECTS MORE ACCESSIBLE TO ALL CANADIANS.

GRANTS ARE ALSO AVAILABLE THROUGH THIS PROGRAM FOR THE PURCHASE OF CULTURAL OBJECTS LOCATED OUTSIDE CANADA, BUT THIS ASPECT OF THE PROGRAM IS NOT BEING USED TO THE FULLEST. IN FACT, IN ITS 12 YEAR HISTORY, THE GRANT BUDGET HAS ONLY BEEN COMPLETELY USED TWICE. THESE GRANTS ARE AVAILABLE TO ASSIST YOU AND I STRONGLY ENCOURAGE YOU TO MAKE BETTER USE OF THEM.

CONSERVATION

THE DEPARTMENT'S CANADIAN CONSERVATION INSTITUTE ALREADY HAS AN EXCELLENT REPUTATION.

SINCE 1972, THE CCI HAS RESTORED 12,000 OBJECTS AND WELCOMED 120 INTERNS. ON MY LAST VISIT, I WAS IMPRESSED BY THE SCOPE OF THE WORK IN PROGRESS -- FOR EXAMPLE, THE RESTORATION OF 2,300 ARTIFACTS FROM RED BAY, INCLUDING THE ONLY KNOWN CLOTHING FROM THAT PERIOD. THE RESTORATION OF THE CARILLON FLAG SURELY RANKS AMONG ONE OF THE MOST COMPLEX PROJECTS THAT HAS BEEN UNDERTAKEN IN NORTH AMERICA.

THROUGH THE INTERNATIONAL COUNCIL OF MUSEUMS (ICOM) AND THE INTERNATIONAL CONSERVATION CENTRE IN ROME (ICROM), AND THANKS TO ITS PARTICIPATION IN THE CONSERVATION INFORMATION NETWORK (CIN), THE CANADIAN CONSERVATION INSTITUTE PLAYS A KEY ROLE IN CANADA AND ABROAD.

IN ADDITION, VARIOUS COMPONENTS OF THE MUSEUM ASSISTANCE PROGRAM RELATE TO CONSERVATION, RESTORATION, RESEARCH, PROCESSING, PROFESSIONAL DEVELOPMENT FOR RESTORERS, AND THE PURCHASE AND IMPROVEMENT OF EQUIPMENT. IT SHOULD BE NOTED THAT RESTORATION AND CONSERVATION CAPABILITY IS RATHER WEAK IN GENERAL IN THIS COUNTRY. WE HAVE TO TAKE THIS STATE OF AFFAIRS INTO ACCOUNT IN THE NEW POLICY, IN PARTICULAR THE FACT THAT NO FRENCH-LANGUAGE TRAINING IN CONSERVATION IS AVAILABLE IN CANADA.

INFORMATION AND DOCUMENTATION

THE CANADIAN HERITAGE INFORMATION NETWORK, WHICH IS PLACED AT THE DISPOSAL OF THESE MUSEUMS, IS ONE OF A KIND. THE FACT THAT THE CANADIAN GOVERNMENT HAS ESTABLISHED A SYSTEM WHICH SERVES AS THE FOUNDATION FOR THE ONLY INTERNATIONAL NETWORK, BRINGING TOGETHER MORE THAN TWO HUNDRED INSTITUTIONS IN TWENTY COUNTRIES, BEARS WITNESS TO OUR STRENGTH IN THIS FIELD.

MANAGEMENT OF THE INFORMATION ON COLLECTIONS IS A VITAL FUNCTION OF THE MUSEUMS WHICH MUST BE MAINTAINED. IT IS A UNIQUE MEANS FOR EXPANDING OUR KNOWLEDGE, BREATHING LIFE INTO OUR COLLECTIONS AND PROMOTING THE STATURE OF CULTURAL HERITAGE IN OUR SOCIETY.

WE SHOULD BE PROUD THAT OUR COUNTRY IS A WORLD LEADER IN THIS FIELD BY VIRTUE NOT ONLY OF THE CONSERVATION INSTITUTE, BUT THE INFORMATION NETWORK ALSO. THE INSTITUTE RECENTLY PROPOSED TO UNESCO THAT A CONVENTION ON INTERNATIONAL EXCHANGES OF DATA ON CULTURAL HERITAGE BE DEVELOPED.

OUR INFORMATION AND DOCUMENTATION MANAGEMENT SYSTEM IS OF THE HIGHEST QUALITY. HOWEVER, WE NEED TO AUGMENT ITS DATA BANKS, LINK THE NEW REGIONAL MUSEUMS NETWORKS AND PROVIDE EXPERT ADVISORY SERVICES TO THE MUSEUM COMMUNITY TO AID THEM IN THE ACQUISITION OF TECHNOLOGIES AND COMPUTER SYSTEMS.

PROFESSIONALISM

THE GOVERNMENT OF CANADA ALSO PROPOSES TO PLAY A MORE ACTIVE ROLE IN THE PROFESSIONAL DEVELOPMENT OF THE MORE THAN 30,000 EMPLOYEES AND VOLUNTEERS WHO WORK IN OUR MUSEUMS.

RECOGNITION IS EQUALLY IMPORTANT. WE HOPE TO INSTITUTE, IN CO-OPERATION WITH THE CANADIAN MUSEUMS ASSOCIATION, A NEW AWARDS PROGRAM TO RECOGNIZE EXCEPTIONAL WORK DONE BY INDIVIDUALS AND ORGANIZATIONS INVOLVED IN MANAGING AND PROMOTING OUR HERITAGE.

FACILITIES

CANADA'S MUSEUMS GENERALLY HAVE GOOD FACILITIES, IN COMPARISON WITH MUSEUMS IN OTHER COUNTRIES, AND A NUMBER OF INSTITUTIONS HAVE BEEN GREATLY IMPROVED THANKS TO OUR PROGRAMS. HOWEVER, DESPITE ALL THE EFFORTS THAT HAVE BEEN MADE TO MEET THE BASIC MUSEUM STANDARDS FOR FIRE PROTECTION, SECURITY AND ENVIRONMENTAL CONDITIONS, MANY FACILITIES REQUIRE SIZEABLE INVESTMENTS TO ENSURE PROPER PRESERVATION OF OUR HERITAGE OBJECTS.

EXHIBITIONS AND PUBLIC PROGRAMS

CHANGES IN THE RESPONSIBILITIES AND PRIORITIES OF ALL THE PARTIES INVOLVED MAKE REFORM NECESSARY AS FAR AS EXHIBITIONS AND PUBLIC PROGRAMS ARE CONCERNED. THE ASSOCIATE MUSEUMS PROGRAM, FOR EXAMPLE, WAS TO CONTRIBUTE TO THE PROMOTION OF THE MAIN MUSEUMS ACROSS CANADA. AT THE START, 21 MUSEUMS WERE DESIGNATED ASSOCIATE MUSEUMS BEFORE EXPANSION WAS HALTED, OWING TO A LACK OF FUNDING.

THOSE MUSEUMS WHICH HAD ALREADY BEEN CHOSEN WERE BENEFITTING FROM PROGRAM FUNDS WHILE OTHERS WERE UNABLE TO, AND THIS OBVIOUSLY CREATED A SERIOUS IMBALANCE. HOWEVER, THE MUSEUMS WHICH DID NOT BENEFIT UNDER THE PROGRAM HAVE SINCE GAINED, BY ONE MEANS OR ANOTHER, A COMPARABLE LEVEL OF EXPANSION. WE INTEND TO RETHINK THIS PROGRAM'S OBJECTIVES IN THE GENERAL CONTEXT OF OUR NEW POLICY.

THE EXHIBITION CENTRES PROGRAM, FOR ITS PART, HAS A PROBLEM SIMILAR TO THAT OF THE ASSOCIATE MUSEUMS PROGRAM. AFTER SOME THIRTY EXHIBITION CENTRES WERE ESTABLISHED ON A FIRST COME, FIRST SERVED BASIS, THE PROGRAM STOPPED EXPANDING, ONCE AGAIN FOR WANT OF FUNDS. AS A RESULT, THE EXHIBITION CENTRES ARE POORLY DISTRIBUTED GEOGRAPHICALLY ACROSS CANADA.

WE ARE, HOWEVER, AWARE THAT THESE INSTITUTIONS ARE EXTREMELY VULNERABLE, SINCE CANADIAN GOVERNMENT ASSISTANCE FOR THESE CENTRES ACCOUNTS FOR BETWEEN SIX AND SIXTY PER CENT OF THEIR REVENUE. WE HAVE TO AIM AT A BETTER POSITIONING OF ALL THE PROGRAMS WITHIN THE GLOBAL OBJECTIVES OF THE NEW POLICY.

THE INSURANCE PROGRAM THAT I ANNOUNCED IN AUGUST 1985 PROVIDES MUSEUMS WITH ASSISTANCE FOR TRAVELLING EXHIBITIONS. FROM 1988 TO 1989, THE VALUE OF EXHIBITIONS INSURED UNDER THIS PROGRAM WAS IN THE ORDER OF A BILLION DOLLARS. REQUESTS FOR ASSISTANCE IN THIS AREA ARE CONSTANTLY ON THE UPSWING AND, ALTHOUGH WE INCREASED THE PROGRAM'S BUDGET, WE RECENTLY HAD TO REVISE IT SO THAT A LARGER NUMBER OF MUSEUMS MIGHT BENEFIT.

NATIVE MUSEUMS

IN THE LONG PROCESS OF REVIEWING MUSEUMS POLICY, IT IS IMPORTANT TO ENSURE THAT THE MANAGEMENT AND INTERPRETATION OF NATIVE MUSEUMS IS DONE BY THE NATIVE PEOPLES INVOLVED.

THE GOVERNMENT SUPPORTS THE ASPIRATIONS OF CANADA'S NATIVE PEOPLES IN THIS AREA. SOME FIRST STEPS HAVE BEEN TAKEN, AS ILLUSTRATED BY THE COMMITMENT MADE REGARDING PRESERVATION OF THE POTLATCH COLLECTIONS OF THE U'MNISTA CULTURAL CENTRE AND THE NYUMBALLEES SOCIETY MUSEUM. WE SHOULD CONTINUE TO WORK IN THIS DIRECTION.

WHILE IT HAS NOT BEEN POSSIBLE IN THE TIME AVAILABLE TODAY TO COVER ALL AREAS WHICH WILL BE ADDRESSED IN OUR REVISED MUSEUM POLICY I FELT IT WOULD BE PRODUCTIVE TO SHARE MY VIEWS ON THE MOST IMPORTANT OF THEM.

ROLE OF THE FEDERAL GOVERNMENT

THE ROLE OF THE GOVERNMENT OF CANADA IN MUSEUMS MUST, BY ITS NATURE, BE SELECTIVE. PROVINCES AND MUNICIPALITIES ARE ALSO KEY PLAYERS.

OUR LEGISLATED RESPONSIBILITIES CONCERN THE FOUR MAJOR FEDERAL MUSEUMS AND THEIR ROLE THROUGHOUT CANADA. AS WELL, WE HAVE RESPONSIBILITIES FOR THE MOVABLE CULTURAL PROPERTY ACT. WE ARE NOW PURSUING WITH OTHER DEPARTMENTS THE DEVELOPMENT OF NEW LEGISLATION RESPECTING ARCHAEOLOGY WITHIN FEDERAL JURISDICTION AND I HOPE TO PRESENT THIS LEGISLATION LATER THIS YEAR.

OUR RESPONSIBILITIES CONSIST OF BOTH SERVICE PROGRAMS SUCH AS CHIN, CCI, EXHIBITION TRANSPORTATION AND FUNDING PROGRAMS SUCH AS THE INSURANCE PROGRAM FOR TRAVELLING EXHIBITIONS, THE MUSEUM ASSISTANCE PROGRAM, THE MOVABLE CULTURAL PROPERTY GRANT PROGRAM AND THE PROVISION OF TAX CERTIFICATES FOR DONATIONS OF CULTURAL PROPERTY.

IT IS IMPORTANT THAT THE GOVERNMENT OF CANADA CONTINUE TO BE ACTIVE IN ALL OF THESE AREAS; HOWEVER WE MUST REVISE OUR SERVICE AND FUNDING PROGRAMS TO BE CONSISTENT WITH A MORE DEFINED ROLE FOR THE FEDERAL GOVERNMENT.

JUST AS MUNICIPALITIES HAVE GREATER RESPONSIBILITIES AT THE LOCAL LEVEL, SO DOES THE FEDERAL GOVERNMENT AT THE INTERNATIONAL, INTERPROVINCIAL AND NATIONAL LEVEL. THE GOVERNMENT SHOULD CONCENTRATE ON DOING THOSE THINGS WHICH IT CAN DO BEST OR WHICH ARE ESSENTIAL AND WOULD NOT GET DONE OTHERWISE. AS WELL, WE HAVE TO BE ORIENTED TOWARDS INTERVENTIONS WHICH ARE OF A CANADIAN SIGNIFICANCE RATHER THAN THOSE OF PURELY A LOCAL NATURE.

WE HAVE TO RECOGNIZE THE APPROPRIATE ROLES AND RESPONSIBILITIES OF OTHERS WHEN FINALIZING OUR POLICIES AND PROGRAMS. WE MUST BE GUIDED BY CLEAR GOALS AND OBJECTIVES AND WHERE THESE GOALS SUGGEST THE PARTICIPATION OF OTHERS, WHETHER THEY BE PROVINCES, MUNICIPALITIES, THE PRIVATE SECTOR OR THE GENERAL PUBLIC, WE MUST ALLOW FOR THE REQUIRED CONSULTATION AND PARTICIPATION.

WE MUST ALSO EQUIP OURSELVES TO ENCOURAGE FLEXIBILITY AND CREATIVE INITIATIVES IN THIS CRUCIAL AND DYNAMIC CULTURAL SECTOR.

CONCLUSION

IT IS MY INTENTION TO PRESENT IN THE FALL TO MY COLLEAGUES A COMPREHENSIVE MUSEUM POLICY FOR CANADA THAT WILL NOT ONLY STRESS AND ENCOURAGE CREATIVITY, BUT ALSO WILL DEFINE MORE CLEARLY THE GOVERNMENT'S ROLE AND MAKE REAL CHOICES ON WHAT WE DO AND HOW WE DO IT. I HAVE TO SAY FRANKLY THAT I DO NOT BELIEVE THAT THE FUNDING AVAILABLE FOR MUSEUMS HAS BEEN OR IS ADEQUATE AT PRESENT. I INTEND TO SEEK INCREASES IN FUNDING TO IMPLEMENT A MEANINGFUL AND FUTURE-ORIENTED MUSEUM POLICY.

THROUGHOUT THE MUSEUM POLICY EXERCISE, HOWEVER, WE MUST BE CAREFUL TO ENSURE THAT WE DO NOT ATTEMPT TO BUY SOLUTIONS WHEN OTHER REMEDIES ARE MORE APPROPRIATE. INDEED, I BELIEVE STRONGLY THAT FUNDED SOLUTIONS MUST NOT BE A SUBSTITUTE FOR CREATIVITY.

HIGH PRIORITY AREAS FOR ACTION WILL INCLUDE FACILITIES AND EQUIPMENT UPGRADING, STRENGTHENING OUR CONSERVATION CAPABILITIES THROUGHOUT CANADA, EXPANDING AND BROADENING OUR EFFORTS TO MEET THE INFORMATION AND DOCUMENTATION REQUIREMENTS SO FUNDAMENTAL TO MUSEUMS, FINDING WAYS OF INCREASING MUSEUM AUDIENCES THROUGH AWARENESS AND MARKETING, ENHANCING OPPORTUNITIES FOR BRINGING CANADIANS AND THEIR HERITAGE TOGETHER THROUGH INTERPROVINCIAL EXHIBITIONS, THE USE OF NEW TECHNOLOGIES AND THE NEED TO CONTINUE ENCOURAGING INNOVATIVE APPROACHES AND INITIATIVES.

THE EQUATION WOULD NOT BE COMPLETE IF I DID NOT SAY WHAT I EXPECT OF THE MUSEUM COMMUNITY. I DON'T NEED TO SAY ANYTHING ABOUT HOW YOU MANAGE YOUR INSTITUTIONS OR YOUR COLLECTIONS BECAUSE YOUR PROFESSIONALISM SPEAKS FOR ITSELF. THERE ARE HOWEVER, OTHER POINTS WHICH I WOULD LIKE TO SHARE.

FIRST OF ALL, YOUR CONTINUED COOPERATION AND FORBEARANCE IS ESSENTIAL OVER THE COMING MONTHS WHILE THIS POLICY IS BEING FINALIZED AND IMPLEMENTED.

SECONDLY, ANYTHING THAT CAN BE DONE TO PROMOTE A GREATER AWARENESS AND APPRECIATION ABOUT THE IMPORTANCE OF OUR MUSEUMS WILL BE OF GREAT BENEFIT TO ALL OF US. YOU KNOW AS WELL AS I DO THAT GOVERNMENTS WHEN RESPONDING TO PUBLIC POLICY NEEDS MUST BE ASSURED OF BROAD PUBLIC SUPPORT.

THIRDLY, I ENCOURAGE YOU TO WORK TOGETHER WITHIN THE MUSEUM COMMUNITY. YOUR ASSOCIATIONS, THE NEWLY CREATED POLICY FORUM, LE RASSEMBLEMENT DES DIRECTEURS DES MUSÉES DE MONTRÉAL, THE TRILLIUM PROJECT IN ONTARIO ARE ALL EXAMPLES OF COOPERATIVE INITIATIVES WHICH ARE VITAL TO THE DEVELOPMENT OF MUSEUMS IN CANADA. THE GENEROSITY OF LARGER MUSEUMS, SUCH AS THE FEDERAL MUSEUMS IN OTTAWA, TOWARDS OTHER MUSEUMS IS LIKEWISE ESSENTIAL.

LASTLY, MUSEUMS SHOULD BE MORE ASSERTIVE NOT ONLY WITH OTHER MUSEUMS BUT WITH MY DEPARTMENT. FOR EXAMPLE, SOME PROGRAMS THAT WE ADMINISTER ARE DEMAND DRIVEN, YET WE EXPERIENCE A LOWER LEVEL OF DEMAND FROM MUSEUMS IN SOME PROVINCES WITH THE CONSEQUENCE THAT INEQUITIES ARE PERPETUATED. YOU AND YOUR STAFFS ARE RESPONSIBLE FOR DEVELOPING PROPOSALS. OUR JOB IS TO DEAL WITH WHAT IS RECEIVED AND, WITHIN THAT CONTEXT, TO STRIVE FOR EQUITY THROUGH PROGRAM CRITERIA AND JUDGEMENTS.

WE MUST NOT LOSE SIGHT OF WHAT THIS ENTIRE EXERCISE IS ALL ABOUT AND THAT IS SERVING CANADIANS THROUGH EXCELLENCE AND PROFESSIONALISM WITH CANADA'S HERITAGE COLLECTIONS BEING THE CORNERSTONE OF ALL OUR ACTIVITIES.

I INTEND DURING THE CURRENT FISCAL EXERCISE TO SEEK THE APPROPRIATE TREASURY BOARD APPROVAL TO TRANSFER TO THE MUSEUM ASSISTANCE PROGRAM THE TWO MILLION DOLLARS MADE AVAILABLE FROM THE PHASING OUT OF THE MOBILE EXHIBITS PROGRAM.

THESE FUNDS SHALL BE MANAGED WITHIN THE EXISTING MUSEUM ASSISTANCE PROGRAM, WHICH WILL NOT BE CHANGED UNTIL THE POLICY REVIEW PROCESS IS COMPLETED. THERE ARE, HOWEVER, SOME PRESSING PRIORITIES WHICH MERIT EARLY ATTENTION. I HAVE ACCEPTED THE ADVISORY COUNCIL RECOMMENDATION WHICH HAS PROPOSED AN INCREASE IN SUSTAINING SUPPORT TO THE CMA ONCE FUNDING BECOMES AVAILABLE. AS WELL, ICOM CANADA IN ADDITION TO THE FORTY-FIVE THOUSAND DOLLARS ALREADY RECEIVED, HAS

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REQUESTED AN ADDITIONAL TWO HUNDRED AND FIFTY FIVE THOUSAND DOLLARS OVER FOUR YEARS TO SUPPORT THE 1992 TRIENNIAL CONFERENCE TO BE HELD IN QUEBEC CITY. I AM PLEASED TO INDICATE OUR INTENTION TO FUND THIS EVENT WHEN THE TRANSFER OF FUNDS IS COMPLETED.

I STRONGLY BELIEVE THAT WITHOUT HISTORY THERE IS NO COUNTRY, THAT THERE IS NO HISTORY WITHOUT COMMON GROUND WITH THE UNIVERSAL, AND THAT A SOCIETY NEEDS TO PRESERVE THE THOUGHT-PROVOKING PLACES WHICH ENABLE US TO FIND OURSELVES IN OUR COLLECTIVE MEMORY. SUCH ARE OUR MUSEUMS.

THANK YOU.

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